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Daily Report – Romania

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Summary

- Romania's main equity indices slightly declined on Thursday; the BET lost 0.1% on low volumes.
- The Treasury successfully sold the planned RON 600 mn in 4.4Y government securities; the average yield decreased to 1.99%.
- Nominal wages are up by 6.0% YoY in December 2014; real wages' growth reached 5.1%.
- In December 2014, industrial sales increased by 4.2% YoY, while new orders' yearly growth rate stood at 1.6% YoY, down from 4.5% in November.

On a day when European markets were characterized by rather unfavourable trading sentiment, the BVB indices slightly decreased on low volumes. The BET lost 0.1% and was followed by the other BVB indices. Romania's regional peers did not perform much better as the PX and the BUX dropped by 0.9% and 0.8% respectively; only the WIG20 could close near its Wednesday level.

Yesterday European benchmarks changed mixed as market sentiment was affected by concerns about Greek developments. On Wednesday evening the ECB suddenly cancelled the acceptance of Greek bonds as collateral for liquidity funding. On the negative news, Athens' main equity benchmark opened around 9% lower yesterday, but it could come back somewhat, ending the day with a 3.5% loss.

US equities performed well after jobless claims data came out and oil prices continued to rally. The main benchmarks closed 1.0-1.2% higher.

The Treasury sold the planned RON 600 mn in 4.4Y government bonds. The average yield stood at record low levels (1.99%); banks subscribed for RON 1.7 bn.

Average net earnings increased by 6.0% YoY in December, after 5.6% in November. The growth rate in real wages reached 5.1% YoY.

December 2014 data revealed that new industrial orders fell by 4.7% MoM but are still higher than in the same month of the previous year (+1.6%). Industrial sales went up 4.2% YoY.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday	January	FX Reserves, EUR bn	30.6		32.2
Tuesday	December	Retail trade turnover index (YoY%)	6.5		7.8
	December	Producer Price Index (YoY%)	-1.4		-0.2
Wednesday	February	Base rate decision (%)	2.25	2.25	2.50
Thursday		no data			
Friday	December	Net wage growth rate (YoY%)	6.0		5.6
		Industrial trade turnover index (YoY%)	4.2		2.4
		Index value of new orders in manufacturing (YoY%)	1.6		4.5

Source: NIS, NBR, Reuters, OTP Research

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	7,055.95	↓ -0.12	↑ 0.64	
BETPlus	1,039.71	↓ -0.20	↑ 0.53	
BET-FI	30,316.95	↓ -0.27	↑ 2.10	
BET-XT	641.41	↓ -0.12	↑ 0.89	
FP	0.8315	↓ -1.01	↓ -0.42	
TLV	2.1200	↑ 0.95	↑ 2.91	
SNG	34.0500	↓ -0.15	↓ -0.99	
EL	12.1000	↑ 0.41	↓ -0.74	
SNP	0.3690	↓ -0.14	↑ 1.79	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	1.14	↓ -0.5	↓ -3.5	
12 month	1.30	↑ 0.5	↓ -3.5	
3 year	1.83	↓ -1.5	↓ -7.5	
5 year	2.03	↓ -2.5	↓ -5.0	
10 year	2.62	↓ -0.5	↓ -2.5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	12.5Y	RON 600 mn	RON 600 mn
Thursday	4.4Y	RON 600 mn	RON 600 mn

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	0.53	↓ -2.0	↓ -12.0	
3M ROBOR	1.41	↓ -6.0	↓ -13.0	
6M ROBOR	1.63	↓ -4.0	↓ -15.0	
1Y ROBOR	1.68	↓ -4.0	↓ -14.0	
5Y CDS	107.09	⇒ 0.0	↓ -2.7	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.4050	↓ -0.05	↓ -1.06	
USD/RON	3.8815	↑ 1.10	↓ -1.58	
CHF/RON	4.1918	↑ 0.89	↓ -3.76	
100HUF/RON	1.4254	↓ -0.11	↑ 0.11	

Source: Reuters, OTP Research

OTP AM – Open-End Funds		4-Feb-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.0897	↑ 0.40	↑ 1.10	↑ 6.90		
OTP Obligatiuni	RON	13.8228	↑ 0.01	↑ 0.30	↑ 5.31		
OTP ComodisRO	RON	16.6339	↑ 0.00	↑ 0.80	↑ 5.03		
OTP Euro Bond	EUR	12.0573	↑ 0.00	↑ 0.29	↑ 3.41		
OTP Dollar Bond	USD	10.3382	↑ 0.04	↑ 0.16	↑ 3.44		

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