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Daily Report – Romania

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Summary

- Yesterday the BVB indices closed in the green with one exception: the BET-FI inched down 0.3%; the BET was the top performer of the CEE region, advancing 0.8%.
- The RON remained flat on Monday; the EUR/RON was traded in a relatively narrow range.
- The Treasury successfully sold RON 700 mn in 3Y government bonds yesterday.

| STOCK EXCHANGE | | | | |
|----------------|-----------|----------------|-----------------|--|
| | Close | Daily chg. (%) | Weekly chg. (%) | |
| BET | 7,252.12 | ↑ 0.79 | ↑ 3.24 | |
| BETPlus | 1,068.30 | ↑ 0.75 | ↑ 3.10 | |
| BET-FI | 30,988.35 | ↓ -0.26 | ↑ 2.54 | |
| BET-XT | 657.04 | ↑ 0.60 | ↑ 3.00 | |
| SNG | 33.7500 | ↓ -0.74 | ↑ 0.15 | |
| TLV | 2.2190 | ↑ 2.68 | ↑ 6.32 | |
| SNP | 0.3780 | ↑ 2.30 | ↑ 2.30 | |
| EL | 12.2500 | → 0.00 | ↑ 1.32 | |
| FP | 0.8740 | ↑ 0.11 | ↑ 4.17 | |

| GOV'T BOND MARKET | | | | |
|-------------------|-----------|-----------------|------------------|--|
| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) | |
| 6 month | 1.26 | ↑ 0.5 | ↑ 8.0 | |
| 12 month | 1.41 | ↑ 1.0 | ↑ 9.0 | |
| 3 year | 1.91 | ↑ 2.0 | ↑ 7.0 | |
| 5 year | 2.06 | → 0.0 | ↑ 2.0 | |
| 10 year | 2.88 | ↑ 0.5 | ↑ 17.0 | |

| GOV'T BOND AUCTIONS | | | |
|---------------------|----------|------------|------------|
| | Maturity | Auctions | Sold |
| Thursday | 1Y | RON 800 mn | RON 800 mn |
| Monday | 3Y | RON 700 mn | RON 700 mn |

| MONEY MARKET | | | | |
|--------------|----------|----------------|-----------------|--|
| | Rate (%) | Daily chg (bp) | Weekly chg (bp) | |
| ON ROBOR | 0.53 | ↓ -1.0 | ↑ 1.0 | |
| 3M ROBOR | 1.42 | ↑ 1.0 | ↑ 2.0 | |
| 6M ROBOR | 1.65 | → 0.0 | ↑ 1.0 | |
| 1Y ROBOR | 1.70 | ↑ 1.0 | ↑ 1.0 | |
| 5Y CDS | 106.63 | → 0.0 | ↓ -0.5 | |

| FX MARKET | | | | |
|------------|--------|----------------|-----------------|--|
| | Rate | Daily chg. (%) | Weekly chg. (%) | |
| EUR/RON | 4.4441 | ↓ -0.01 | ↑ 0.25 | |
| USD/RON | 3.9150 | ↑ 0.40 | ↓ -0.02 | |
| CHF/RON | 4.2002 | ↑ 0.45 | ↓ -0.80 | |
| 100HUF/RON | 1.4476 | ↓ -0.51 | ↑ 0.68 | |

Source: Reuters, OTP Research

Despite the uncertainties related to the talks over Greece, Romania's equity indices closed in the green with one exception: the BET-FI lost 0.3% as most SIFs sank into the negative territory. The main benchmark, the BET added almost 0.8%, which was the highest gain in the CEE region after the Czech PX and the Hungarian BUX slipped 0.5% and 1.2% respectively, while the Polish WIG20 climbed 0.6% higher. Traded volumes on the BVB were not too high as equities' total turnover stood around RON 30 mn.

Yesterday investors worried about the discussions between Greek officials and eurozone finance ministers over a new financing arrangement. On Monday evening, the talks abruptly broke down without any agreement, raising additional doubts about Greece's bailout package. As a result, Europe's main equity benchmarks ended the day in the red; the DAX lost almost 0.4%. In the USA, after the S&P500 reached a new all-time high on Friday, stock markets were closed yesterday.

After the failure to reach an accord over Greece, the EUR retreated compared to the USD to around 1.135. Yesterday the RON was traded in a tight range, closing the day almost unchanged.

On Monday, the Treasury sold the planned RON 700 mn in 2.9Y government bonds on 1.94% average yield, down from 2.07% at the previous auction in January; the bid-to-cover ratio stood around 1.4 as banks subscribed for RON 975 mn.

| | PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|-----------|----------|------------------------------------|------|-----------|----------|
| Thursday | December | Industrial Production Index (YoY%) | 3.1 | | 0.2 |
| Friday | Q4 2014 | Flash GDP growth rate (YoY, %) | 2.6 | | 3.3 |
| | January | Consumer price index (YoY%) | 0.4 | 0.2 | 0.8 |
| | December | Construction works index (YoY%) | 15.0 | | 2.2 |
| | December | CA balance (EUR mn, YTD) | -696 | | -302 |
| Monday | | no data | | | |
| Tuesday | | no data | | | |
| Wednesday | | no data | | | |

Source: NIS, NBR, Reuters, OTP Research

| OTP AM – Open-End Funds | | 13-Feb-15 | | | | | |
|-------------------------|-----|------------|--------|--------|--------|--|--|
| Open-end fund | ccy | last NAV/U | 1d% | Ytd% | 52W% | | |
| OTP AvantisRO | RON | 8.2675 | ↑ 0.29 | ↑ 3.32 | ↑ 8.72 | | |
| OTP Obligatiuni | RON | 13.8329 | ↑ 0.01 | ↑ 0.37 | ↑ 5.30 | | |
| OTP ComodisRO | RON | 16.6399 | ↑ 0.00 | ↑ 0.83 | ↑ 4.91 | | |
| OTP Euro Bond | EUR | 12.0632 | ↑ 0.00 | ↑ 0.34 | ↑ 3.41 | | |
| OTP Dollar Bond | USD | 10.3382 | ↑ 0.01 | ↑ 0.16 | ↑ 3.45 | | |

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