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Daily Report – Romania

Date: 17.02.2015

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	7,224.38	↓ -0.38	↑ 1.70	
BETPlus	1,064.28	↓ -0.38	↑ 1.61	
BET-FI	30,845.78	↓ -0.46	↑ 0.62	
BET-XT	654.63	↓ -0.37	↑ 1.51	
EL	12.4700	↑ 1.80	↑ 1.88	
SNG	33.7600	↑ 0.03	↓ -0.68	
FP	0.8680	↓ -0.69	↑ 0.93	
TEL	31.6500	↑ 0.03	↑ 6.82	
SNP	0.3760	↓ -0.53	↑ 1.79	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	1.32	↑ 6.0	↑ 9.0	
12 month	1.47	↑ 6.0	↑ 10.0	
3 year	1.96	↑ 5.5	↑ 4.0	
5 year	2.13	↑ 6.5	↑ 5.0	
10 year	2.97	↑ 9.0	↑ 12.0	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	3Y	RON 700 mn	RON 700 mn
Thursday	5Y	RON 700 mn	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	0.51	↓ -2.0	↓ -2.0	
3M ROBOR	1.40	↓ -2.0	↓ -1.0	
6M ROBOR	1.62	↓ -3.0	↓ -3.0	
1Y ROBOR	1.67	↓ -3.0	↓ -3.0	
5Y CDS	106.63	→ 0.0	↓ -0.9	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.4510	↑ 0.15	↑ 0.33	
USD/RON	3.8990	↓ -0.41	↓ -0.49	
CHF/RON	4.1631	↓ -0.88	↓ -1.60	
100HUF/RON	1.4458	↓ -0.12	↑ 0.63	

Source: Reuters, OTP Research

Summary

- Yesterday, most of the BVB indices closed in the negative territory; the BET lost 0.4% on improving volumes.
- The RON slightly weakened against the EUR, in line with regional peers.
- Treasury yields climbed 6-9 bps on Tuesday.
- According to Romania's CB, the banking sector's NPL ratio slid to 13.9% in December, from around 21.9% a year earlier. The CAP ratio reached a fresh record high (17.3%), but the sector's ROE ratio went down to -11.6%.

After advancing almost 0.8% on Monday, the BET slipped into the red yesterday. The main index lost 0.4%, but it was not an exception, as the majority of the BVB indices also ended 0.4-0.5% lower. Among the individual stocks of the main composite, Electrica showed nice results; the shares of the energy company advanced 1.8% on Tuesday. Meanwhile, equities' total turnover improved to RON 35 mn, up from RON 30 mn a day earlier. The region's key benchmarks closed mixed yesterday; the BUX could slightly go up (+0.2%), while the WIX20 shed 0.1% and the Czech PX fell 1.0%.

Yesterday, Europa's key equity indices changed mixed too. The developments related to Greece and Ukraine were still in the focus. The German DAX slipped 0.2%, even though the ZEW's Indicator of Economic Sentiment has increased for the fourth consecutive month. In February, the indicator went up 4.6 to 53.0 points, reaching its highest level in a year. On the other hand, the FTSE100 climbed 0.6% higher, while the CAC40 was almost flat.

In the USA, the key indices gained 0.1%-0.2%. The S&P hit a newer record high at 2,100 points. The positive evolution was supported also by press reports, according to which Greece intends to ask for a six-month extension of its loan agreement.

In line with regional peers, the RON slightly depreciated compared to the common European currency; the pair ended the day around 4.45. During the day, the EUR/RON was traded in a tight range again. Government securities' yields rose yesterday, the yield curve moved up 6-9 bps; the 10Y maturity saw the highest shift.

According to Romania's central bank, the local banking sector registered significant losses in 2014 (around RON 4.5 bn); the average ROE stood at -11.6%. On the other hand, the non-performing loans ratio decreased to 13.93% in December, down from 14.95% a month earlier, while the capital adequacy ratio reached a newer record high (close to 17.3%).

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
	Friday	Q4 2014	Flash GDP growth rate (YoY, %)	2.6	3.3
		January	Consumer price index (YoY%)	0.4	0.2
		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		
Thursday			no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		14-Feb-15					
Open-end fund	ccy	last NAV/U		1d%		Ytd%	52W%
OTP AvantisRO	RON	8.2637	↓	-0.05	↑	3.28	↑ 8.59
OTP Obligatiuni	RON	13.8356	↑	0.02	↑	0.39	↑ 5.28
OTP ComodisRO	RON	16.6418	↑	0.01	↑	0.84	↑ 4.88
OTP Euro Bond	EUR	12.0646	↑	0.01	↑	0.35	↑ 3.40
OTP Dollar Bond	USD	10.3396	↑	0.01	↑	0.18	↑ 3.45

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