

Headquarter Treasury Sales

Tania Fantana

+4021 30758 76
tania.fantana@otpbank.ro

Alexandru Tibuleac

+4021 30758 52
alexandru.tibuleac@otpbank.ro

Alina Gheorghita

+4021 30758 25
alina.gheorghita@otpbank.ro

Andreea Nica

+4021 30758 27
andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj

+40755 000 400
szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti

+4021 30758 76
tudor.zaman@otpbank.ro



Daily Report – Romania

Date: 09.03.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,104.87	↓ -0.70	↓ -1.28
BETPlus	1,047.87	↓ -0.59	↓ -1.07
BET-FI	31,140.01	↓ -0.20	↑ 0.10
BET-XT	646.89	↓ -0.59	↓ -0.98
BRD	9.6000	↓ -0.21	↓ -1.54
FP	0.8650	↓ -0.57	↓ -0.46
SNP	0.3640	↓ -0.27	↓ -2.93
TEL	29.9000	↓ -0.60	↓ -3.39
SIF2	1.6900	↓ -0.35	↓ -1.17

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.32	↑ 4.5	↑ 5.5
12 month	1.47	↑ 4.5	↑ 7.0
3 year	2.08	↑ 11.0	↑ 18.0
5 year	2.29	↑ 14.5	↑ 22.0
10 year	3.07	↑ 15.5	↑ 24.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	6Y	RON 300 mn	RON 300 mn
Monday	4Y	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.61	↓ -1.0	↓ -9.0
3M ROBOR	1.34	⇒ 0.0	↓ -6.0
6M ROBOR	1.58	↑ 1.0	↓ -5.0
1Y ROBOR	1.64	⇒ 0.0	↓ -3.0
5Y CDS	97.23	⇒ 0.0	↓ -2.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4410	↓ -0.08	↓ -0.13
USD/RON	4.0917	↓ -0.17	↑ 2.94
CHF/RON	4.1510	↓ -0.21	↑ 0.08
100HUF/RON	1.4535	↓ -0.17	↓ -0.35

Source: Reuters, OTP Research

Summary

- Negative trading sentiment ruled the BVB yesterday; all of the key indices finished the day with losses. This morning the main equity benchmarks opened in the green.
- The Treasury successfully sold the planned RON 500 mn in 4Y government bonds yesterday on healthy demand (bid-to-cover ratio stood above 2). On the other hand, the average yield inched up significantly (2.35% vs. 1.99% at the previous auction of 4Y bonds in February).
- The EUR/RON changed little yesterday; the pair was traded in a relatively tight range.
- Annual inflation remained at 0.4% in February, similarly to its January level. Consumer prices increased by 0.3% MoM.
- Net wages' growth rate improved further to 7.1% in January, up from 6.0% a month earlier.

Unfavourable trading sentiment ruled Romania's equity market yesterday. All of the BVB indices finished in the red zone, losing between 0.2% and 0.7%. At the same time, equities' total turnover dropped to RON 28 mn. In the CEE region, the BUX was the best performer with its 0.5% gain; but similarly to the Romanian market, the other key indices closed in the negative territory: the WIG just slightly slipped (-0.1%), while the PX showed a sharp decrease (-1.2%). This morning, BVB indices opened in the green.

European stocks did not perform much better as only the DAX could end the day with a 0.3% gain. The CAC40 and the FTSE100 went down more than 0.5%. Investors' mood was more positive in the USA; stocks on the Wall Street climbed modestly higher in Monday's session. The S&P500 went up by 0.4%, while the Dow Jones added even more (0.8%).

On Monday, the EUR/RON was relatively stable, closing the day around 4.44. On the other hand, government securities' yields shifted up significantly, as the Fed may raise interest rates sooner than had been expected before, and concerns related to Greece also increased. The highest movements were registered at the long end of the yield curve (15-16 bps).

The Treasury successfully sold the planned RON 500 mn in 4.3Y bonds. The demand was healthy, as investors subscribed for RON 1,055 mn, but the average yield rose to 2.35%, up from the previous auction's 1.99% from the beginning of February.

Inflation data came out for February this morning; consumer prices increased 0.4% YoY and 0.3% MoM. Compared to January, food prices grew the most (0.5%), non-food prices added 0.4, while in the case of services the index was in the negative territory (-0.2%), after the appreciation of the RON.

The positive trend in net wages was maintained in January too: its YoY growth rate increased to 7.1%, up from 6.0% in December; which, coupled with low inflation figures, resulted in a robust growth of real wages (around 6.6%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
5-Mar	Thursday		no data		
6-Mar	Friday	Q4 2014	Detailed GDP growth rate (YoY%, provisional data)	2.6	3.3
9-Mar	Monday		no data		
10-Mar	Tuesday	January	Net wage growth rate (YoY%)	7.1	6
10-Mar		February	Consumer price index (YoY%)	0.4	0.3
10-Mar		January	Industrial trade turnover index (YoY%)	5.6	4.2
10-Mar		January	Index value of new orders in manufacturing (YoY%)	11.1	1.6
11-Mar	Wednesday	January	Industrial production index (YoY%)		3.1

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		5-Mar-15				
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%	
OTP AvantisRO	RON	8.1845	↑ 0.05	↑ 2.29	↑ 9.44	
OTP Obligatiuni	RON	13.8518	↑ 0.01	↑ 0.51	↑ 5.13	
OTP ComodisRO	RON	16.6528	↑ 0.00	↑ 0.91	↑ 4.78	
OTP Euro Bond	EUR	12.0819	↑ 0.01	↑ 0.49	↑ 3.39	
OTP Dollar Bond	USD	10.3449	→ 0.00	↑ 0.23	↑ 3.41	

Chief Economist
Gergely Tardos

+36 1 3747273

tardosg@otpbank.hu
Analyst
Csaba Bálint

+4021 3075896

csaba.balint@otpbank.ro

Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centered on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to csaba.balint@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.