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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,031.34	↓ -0.06	↓ -1.03
BETPlus	1,035.60	↓ -0.07	↓ -1.17
BET-FI	30,299.16	↓ -0.38	↓ -2.70
BET-XT	638.66	↓ -0.10	↓ -1.27
TEL	30.0000	↑ 0.20	↑ 0.33
COTE	60.5500	↑ 0.92	↓ -8.05
SNG	33.2000	↑ 0.15	↓ -1.51
TLV	2.1490	↑ 1.37	↑ 0.42
SNP	0.3595	↓ -1.78	↓ -1.24

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.28	↓ -2.0	↓ -3.5
12 month	1.46	↓ -0.5	↑ 3.5
3 year	2.08	↑ 2.0	→ 0.0
5 year	2.28	↑ 0.5	↓ -0.5
10 year	3.11	↑ 3.5	↑ 3.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	10Y	RON 200 mn	RON 200 mn
Monday	3Y	RON 300 mn	RON 300 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.58	→ 0.0	↓ -3.0
3M ROBOR	1.29	↓ -3.0	↓ -5.0
6M ROBOR	1.56	→ 0.0	↓ -2.0
1Y ROBOR	1.62	↓ -2.0	↓ -2.0
5Y CDS	94.98	→ 0.0	↓ -2.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4370	↓ -0.18	↓ -0.09
USD/RON	4.2012	↓ -0.77	↑ 2.67
CHF/RON	4.1690	↓ -1.00	↑ 0.43
100HUF/RON	1.4636	↑ 0.68	↑ 0.69

Source: Reuters, OTP Research

Summary

- At yesterday's auction, the Finance Ministry successfully sold the RON 300 mn in 3Y bonds at 2.08% average yield. The demand was healthy, as banks subscribed for almost RON 1 bn.
- The RON slightly strengthened compared to the EUR, while the USD depreciated against the common European currency.
- The ROBOR 3M sank below 1.3% for the first time on Monday.
- Favourable current account data were released yesterday. The CA ended January with EUR 554 mn surplus, significantly higher than a year earlier (EUR 252 mn).
- Romania's equity benchmarks slightly slipped yesterday on above average volumes; the BET dropped 0.1%.

At Monday's auction, the **Treasury successfully borrowed the planned RON 300 mn in 2.8Y bonds** with high demand, as primary dealers subscribed for RON 973 mn. The average yield stood at 2.08%, up from 1.94% at the previous auction in February. The yield curve became steeper yesterday, as short-term rates eased 1-2 bps while yields on longer maturities moved 1-4 bps higher.

In line with its regional peers, the **RON could strengthen somewhat compared to the EUR yesterday**, while the USD weakened against the common European currency, after weaker-than-expected February industrial production data came out in the USA, in addition investors became more cautious ahead of this week's Fed policy meeting.

Money market rates stood at low levels on Monday too. The **ROBOR 3M sank below 1.3%** for the first time.

The NBR released favourable statistics yesterday. **Romania's current account (CA) registered EUR 554 mn surplus in January**, significantly higher than a year earlier (EUR 252 mn). The structure of the CA shows a healthy picture, as all of its segments registered improvements on a yearly basis. At the same time, FDI inflows amounted to almost EUR 0.3 bn. On the other hand, Romania's external debt fell 0.7% MoM in December 2014.

Yesterday Romania's equity markets started the day in the green zone, but selling pressure weighed on stocks in late afternoon. As a result, **the majority of the BVB indices finished slightly lower**. The BET slipped around 0.1%, similarly to the BETPlus and the BET-XT, while the investment funds' (BET-FI) and the energy related companies' index (BET-NG) declined sharper, 0.4% and 0.6% respectively. The individual stocks of the main composite index changed in mixed directions. The TLV was the winner of the day, adding almost 1.4%, while the SNP fell sharply (1.8%). The mixed performance of the market was coupled with growing volumes. Equities' total turnover exceeded RON 35 mn, supported by the shares of Transelectrica (almost RON 10 mn) and Conpet (RON 3.5 mn). In the CEE region, the key indices moved little; Poland's WIG20 could advance 0.3%, while the BUX and the PX remained practically flat.

European shares continued their rally on Monday, as investors expect that the weaker EUR may help the region's economy. The DAX reached a new record high, passing the 12,000-point level. Germany's benchmark closed up 2.2%, but the CAC40 and the FTSE100 also finished in the positive territory, gaining around 1.0% each. Positive trading sentiment ruled the US equity markets too. The key indices soared; the S&P climbed 1.4% higher.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
12-Mar	Thursday	January	Exports (FOB, YoY%)	6.4	-1.4
12-Mar		January	Imports (CIF, YoY%)	4.1	4.5
12-Mar		January	Households services turnover index (YoY%)	-2.5	-5.2
12-Mar		January	Construction works index (YoY%)	12.2	15.0
13-Mar	Friday	January	Wholesale services turnover index (YoY%)	6.3	3.9
16-Mar	Monday	January	CA balance (EUR mn, YTD)	554	-696
17-Mar	Tuesday		no data		
18-Mar	Wednesday		no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		13-Mar-15					
Open-end fund	ccy	last NAV/U		1d%		Ytd%	52W%
OTP AvantisRO	RON	8.0690	↓	-0.82	↑	0.84	↑ 9.84
OTP Obligatiuni	RON	13.8602	↑	0.01	↑	0.57	↑ 5.09
OTP ComodisRO	RON	16.6586	↑	0.00	↑	0.95	↑ 4.72
OTP Euro Bond	EUR	12.0881	↑	0.00	↑	0.55	↑ 3.39
OTP Dollar Bond	USD	10.3464	↑	0.00	↑	0.24	↑ 3.17

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