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Daily Report – Romania

Date: 17.03.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,995.44	↓ -0.51	↓ -1.09
BETPlus	1,031.06	↓ -0.44	↓ -1.13
BET-FI	30,162.28	↓ -0.45	↓ -2.64
BET-XT	635.39	↓ -0.51	↓ -1.28
FP	0.8400	↓ -0.53	↓ -2.89
SNG	33.1000	↓ -0.30	↓ -1.49
TLV	2.1100	↓ -1.81	↓ -0.24
TGN	271.0000	↑ 0.15	↑ 0.37
TEL	30.0000	→ 0.00	↑ 1.49

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.34	↑ 6.0	↑ 2.0
12 month	1.53	↑ 6.5	↑ 10.5
3 year	2.12	↑ 4.5	↑ 4.5
5 year	2.41	↑ 12.5	↑ 14.0
10 year	3.33	↑ 22.5	↑ 26.5

GOV'T BOND AUCTIONS

Monday	Maturity	Auctions	Sold
	3Y	RON 300 mn	RON 300 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.57	↓ -1.0	↓ -4.0
3M ROBOR	1.28	↓ -1.0	↓ -5.0
6M ROBOR	1.54	↓ -2.0	↓ -3.0
1Y ROBOR	1.61	↓ -1.0	↓ -2.0
5Y CDS	94.98	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4445	↑ 0.17	↓ -0.02
USD/RON	4.1940	↓ -0.17	↑ 0.93
CHF/RON	4.1684	↓ -0.01	↑ 0.29
100HUF/RON	1.4616	↓ -0.14	↑ 1.05

Source: Reuters, OTP Research

Summary

- Government securities' yields inched up significantly (6-23 bps) a day ahead of Fed's press conference; the 10Y maturity saw the highest change.
- The RON modestly depreciated compared to the EUR, mostly in line with its regional peers.
- The MM rates slightly eased further on Tuesday; 3M-1Y terms registered new record lows.
- Tax cuts cannot be excluded before the end of this year, Prime Minister Victor Ponta said yesterday.
- Tuesday's trading sentiment was unfavourable on stock markets; Romania's key equity indices fell on average turnover.

A day ahead of Fed's statement and press conference, Romanian government bond yields moved significantly higher. The yield curve shifted up 6-23 bps yesterday; 10Y maturity saw the highest change, as the reference rate jumped to 3.33%.

At the same time, the RON and its regional peers modestly weakened compared to the EUR yesterday. The EUR/RON ended the day above 4.44, but compared to the dollar, Romania's currency could strengthen somewhat to around 4.19.

Yesterday, money market rates mostly slid further, registering new lows at 3M-1Y terms.

On Tuesday, Prime Minister Victor Ponta said that tax cuts could not be excluded before the end of this year at least, if there will be enough fiscal space. The government expects nearly EUR 1 bn budget surplus in Q1 2015, and aims to keep the already agreed 1.8% deficit target for 2015.

Negative trading sentiment ruled global equity markets on Tuesday. Romania's main benchmark was not an exception, as it finished 0.5% lower for the third consecutive day. The other indices of the BVB also ended in the negative territory, shrinking as far as 0.9%. The BET was dragged down primarily by TLV, which dropped more than 1.8%, but SNN's and BRD's shares were also deeply in the red (1.2% and 0.9% respectively). Equities' turnover stood close to this year's average (around RON 33 mn). The BET's regional peers changed mixed yesterday; the WIX could advance 0.8%, while the BUX and the PX lost 0.2% and 0.4% respectively.

In Europe, investors worried about the weaker-than-expected ZEW index and the growing uncertainties over Greece. Germany's economic sentiment index increased only modestly to 54.8 in March, up from 53.0 in February, while analysts expected a sharp improvement to 58.2 points. As a result, the DAX dropped 1.5%. In the USA, equity benchmarks moved in different directions, waiting for Fed Chair Janet Yellen's today's speech.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
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		
19-Mar	Thursday		no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		16-Mar-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.0562	↓ -0.16	↑ 0.68	↑ 9.57		
OTP Obligatiuni	RON	13.8640	↑ 0.03	↑ 0.60	↑ 5.04		
OTP ComodisRO	RON	16.6606	↑ 0.01	↑ 0.96	↑ 4.70		
OTP Euro Bond	EUR	12.0894	↑ 0.01	↑ 0.56	↑ 3.38		
OTP Dollar Bond	USD	10.3478	↑ 0.01	↑ 0.26	↑ 3.15		

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