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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,009.13	↑ 0.18	↑ 0.46
BETPlus	1,033.15	↑ 0.16	↑ 0.50
BET-FI	30,302.63	↓ -0.30	↑ 1.00
BET-XT	635.57	↑ 0.00	↑ 0.36
TLV	2.0400	↓ -0.49	↓ -3.32
SNP	0.3630	↑ 1.68	↑ 1.17
SNG	34.2000	↑ 0.29	↑ 3.86
BRD	9.1500	↓ -1.03	↓ -1.19
FP	0.8600	↑ 0.29	↑ 2.38

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.42	↑ 8.5	↑ 8.5
12 month	1.59	↑ 9.5	↑ 9.0
3 year	2.09	↑ 6.0	↑ 1.5
5 year	2.32	↑ 6.5	↓ -2.0
10 year	3.24	↑ 6.5	↑ 1.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3M	RON 500 mn	RON 500 mn
Wednesday	1Y	RON 1000 mn	RON 1000 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.02	↑ 126.0	↑ 146.0
3M ROBOR	1.40	↑ 11.0	↑ 9.0
6M ROBOR	1.63	↑ 9.0	↑ 8.0
1Y ROBOR	1.67	↑ 7.0	↑ 6.0
5Y CDS	96.32	→ 0.0	↑ 1.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4309	↑ 0.30	↑ 0.26
USD/RON	4.0707	↑ 1.11	↓ -1.97
CHF/RON	4.2276	↑ 0.76	↑ 0.75
100HUF/RON	1.4779	↑ 0.09	↑ 1.33

Source: Reuters, OTP Research

Summary

- In Thursday's risk-averse investment sentiment, the RON continued to weaken compared to the EUR; the pair closed around 4.43.
- MM interest rates and government securities' yields grew notably yesterday; the yield curve shifted up 6-10 bps;
- Yesterday the Treasury sold the planned RON 1 bn debt in 12M bills on 1.62% average yield, up from 1.46% at the previous auction in February.
- Romania's government budget closed the first two months of the year with a RON 2.3 bn (0.3% of GDP) surplus; it had a RON 3.1 bn deficit a year earlier.
- The BVB indices finished mixed yesterday; the BET could advance 0.2%, while the BET-FI lost 0.3%.

On Thursday, the RON continued to weaken compared to the EUR for the third consecutive day, closing around 4.43, and it lost even more against the USD, after the dollar rebounded versus the common European currency, as risk-averse mood started to rule global financial markets. The air strikes carried out by Saudi Arabian forces in Yemen lifted oil prices significantly higher.

Money market interest rates and government securities' yields rose notably yesterday. The yield curve shifted up 6-10 bps, with higher moves at the short end.

The Treasury successfully sold the planned RON 1,000 mn in 12M bills, but the average yield inched up to 1.62% from 1.46% at the previous similar auction in the middle of February, even the demand was relatively healthy, as primary dealers subscribed for more than RON 1.6 bn.

The Finance Ministry published the budget execution data for February. According to the document, the budget closed the first two months of the year with RON 2.3 bn (0.3% of GDP) surplus, in contrast to the RON 3.1 bn deficit a year earlier. Total incomes went up by 10.9% YoY to RON 33.8 bn, while expenditures fell 6.2% YoY, to RON 31.5 bn.

The BVB indices changed mixed yesterday on slightly below average turnover (RON 33 mn). The BET could add 0.2%, led by the shares of OMW Petrom (+1.7%), while the energy related BET-NG index increased even more (0.4%). On the other hand, the BET-FI ended the day in the negative territory (-0.3%). The BCC was the loser of the day; the bank's shares lost almost 15% on unfavourable company news.

The key US and European equity indices closed in the red yesterday, after Middle-East conflict escalated, and Greek worries still weigh on the market.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
23-Mar	Monday				
24-Mar	Tuesday	February	M3 (broad money, YoY%)	6.5	7.8
24-Mar		February	Non-government loans (YoY%)	-3.7	-3.8
24-Mar		February	Non-government deposits (YoY%)	5.7	7.0
25-Mar	Wednesday				
26-Mar	Thursday				
27-Mar	Friday				

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		25-Mar-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.0160	↑ 0.03	↑ 0.18	↑ 9.50		
OTP Obligatiuni	RON	13.8748	↑ 0.01	↑ 0.68	↑ 5.04		
OTP ComodisRO	RON	16.6678	↑ 0.01	↑ 1.00	↑ 4.66		
OTP Euro Bond	EUR	12.0922	→ 0.00	↑ 0.58	↑ 3.32		
OTP Dollar Bond	USD	10.3559	↑ 0.00	↑ 0.34	↑ 3.22		

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