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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,076.33	↑ 0.13	↑ 1.11
BETPlus	1,042.45	↑ 0.15	↑ 1.03
BET-FI	30,280.72	↑ 0.04	↓ -0.73
BET-XT	640.73	↑ 0.13	↑ 0.78
SNG	35.0500	↓ -0.93	↑ 3.79
TLV	2.1000	↑ 2.59	↑ 3.45
BRD	9.2500	↓ -0.32	↑ 1.09
FP	0.8635	↑ 0.29	↑ 0.76
TEL	28.5000	→ 0.00	↓ -5.00

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.45	↓ -0.5	↑ 11.5
12 month	1.60	→ 0.0	↑ 10.5
3 year	2.05	↓ -1.0	↑ 0.5
5 year	2.33	↓ -2.0	↑ 4.5
10 year	3.22	↓ -1.0	↑ 2.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	3Y	RON 400 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.38	↑ 10.0	↑ 160.0
3M ROBOR	1.48	↑ 1.0	↑ 20.0
6M ROBOR	1.69	↑ 1.0	↑ 15.0
1Y ROBOR	1.71	↑ 2.0	↑ 11.0
5Y CDS	96.32	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4133	↑ 0.24	↑ 0.17
USD/RON	4.1126	↑ 1.19	↑ 1.94
CHF/RON	4.2276	↑ 0.61	↑ 0.44
100HUF/RON	1.4690	↓ -0.13	↓ -0.27

Source: Reuters, OTP Research

Summary

- As expected, the NBR cut the policy rate from 2.25% to 2.00% yesterday. At the same time, the lending facility rate was reduced by 0.50% to 3.75%. The MRR ratios remained unchanged, but they may be lowered in the following period.
- The NBR's decision had limited impact on the leu; the EUR/RON was traded only slightly higher yesterday.
- MM rates moved up on Tuesday, especially at the short end, while government securities' yields mostly slipped.
- Romania's key equity indices finished with slight gains on below-average turnover with the exception of the BET-NG, which lost more than 0.5% yesterday.

In line with analysts' expectations, the NBR cut the policy rate by 25 bps to a new record low of 2.00% yesterday. At the same time, the Board decided to narrow the symmetrical corridor of interest rates on the NBR's credit and deposit facilities around the policy rate to +/-1.75%, down from +/-2.00%. As a result, Lombard credit's rate will be 3.75% starting from 1 April, instead of 4.25% in the previous period, while the interest rate on the deposit facility remained unchanged (0.25%), similarly to the minimum reserve requirement ratios (10% in the case of RON and 14% for FX liabilities). The NBR's governor Mugur Isarescu suggested in his press conference that the easing cycle may continue with the reduction of MRR ratios and/or further narrowing of the corridor, as monetary easing is not limited only to policy rate cuts. The next NBR Board meeting is scheduled for 6 May, when the new quarterly Inflation Report will be examined too.

The NBR's rate cut had limited impact on the leu yesterday, as the decision was in line with the market consensus; the EUR/RON pair climbed only slightly higher (above 4.41) yesterday.

Interbank money market rates increased on Wednesday, especially at the short end, while government securities' yields slightly fell.

BVB indices mostly closed the day marginally higher with one exception: the energy related BET-NG index dropped more than 0.5%. Traded volumes remained below average; even equities' turnover was supported by the SNG's shares (RON 18.6 mn).

In Tuesday' negative trading sentiment, global equity markets mostly closed in the red. US benchmark indices closed 0.9%-1.1% lower, despite the better-than-expected consumer confidence data for March.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
27-Mar	Friday				
30-Mar	Monday	February			
30-Mar	Monday	Licenses for residential buildings (no.)	2,249		1,674
30-Mar	Monday	Economic Sentiment Indicator	102.2		102.6
31-Mar	Tuesday	April			
31-Mar	Tuesday	Base rate decision (%)	2.00		2.25
31-Mar	Tuesday	February			
31-Mar	Tuesday	ILO unemployment rate (% , seasonally adjusted)	6.4		6.5
1-Apr	Wednesday	March			
1-Apr	Wednesday	FX Reserves, EUR bn			30.5
2-Apr	Thursday	February			
2-Apr	Thursday	Producer Price Index (YoY%)			-2.1

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		30-Mar-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.0131	↑ 0.40	↑ 0.14	↑ 8.19		
OTP Obligatiuni	RON	13.8781	↑ 0.02	↑ 0.70	↑ 5.01		
OTP ComodisRO	RON	16.6710	↑ 0.01	↑ 1.02	↑ 4.60		
OTP Euro Bond	EUR	12.0951	↑ 0.02	↑ 0.60	↑ 3.27		
OTP Dollar Bond	USD	10.3578	↑ 0.02	↑ 0.35	↑ 3.17		

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