

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: 10.04.2015 (FX market data as of 13.04.2015)

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,253.95	↑ 0.64	↑ 4.04
BETPlus	1,067.55	↑ 0.64	↑ 3.87
BET-FI	31,009.78	↑ 0.64	↑ 3.15
BET-XT	658.18	↑ 0.61	↑ 3.89
FP	0.8680	↑ 1.05	↑ 2.72
TLV	2.3890	↑ 3.42	↑ 11.01
SNG	35.0000	→ 0.00	↑ 1.16
TGN	274.0500	↑ 0.02	↑ 0.75
BRD	9.6000	↓ -2.14	↑ 4.35

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.35	↓ -1.5	↓ -11.5
12 month	1.46	↓ -1.5	↓ -14.0
3 year	1.89	↓ -0.5	↓ -17.5
5 year	2.15	↓ -4.5	↓ -19.5
10 year	3.16	↓ -3.0	↓ -10.5

GOV'T BOND AUCTIONS

Thursday	Maturity	Auctions	Sold
	5Y	RON 300 mn	RON 300 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.02	↓ -8.0	↓ -134.0
3M ROBOR	1.36	↓ -1.0	↓ -13.0
6M ROBOR	1.60	↓ -3.0	↓ -9.0
1Y ROBOR	1.65	↓ -2.0	↓ -5.0
5Y CDS	96.32	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4113	↑ 0.05	↓ -0.16
USD/RON	4.1625	↑ 0.14	↑ 2.93
CHF/RON	4.2579	↑ 0.34	↑ 0.93
100HUF/RON	1.4818	↓ -0.12	↑ 0.32

Source: Reuters, OTP Research

Summary

- S&P has affirmed Romania's 'BBB' rating, based on the country's expected robust growth, which can reach nearly 3% on average between 2015 and 2018. The outlook is stable.
- Romanian markets were closed yesterday due to the Orthodox Easter holiday. This morning, the RON is traded close to its Friday closing level.
- On Friday, GS' yields and MM rates remained on a downward trend; the ROBOR ON fell by 134 bps on weekly basis.
- The current account registered EUR 285 mn surplus in the period of January-February; it had EUR 201 mn deficit a year earlier.
- Romania's equity indices advanced 0.1-0.6% on higher volumes on Friday; the main index, the BET gained 0.6%.

The S&P affirmed Romania's 'BBB' long-term credit rating with stable outlook. According to the agency, the Romanian economy may grow by nearly 3% on average in the period of 2015-2018. The favourable economic prospects should partially offset the negative impact of the planned tax cuts on government revenues.

Romanian markets were closed yesterday due to the Orthodox Easter holiday. On Friday, the RON weakened to around 4.41 against the EUR on relatively good volumes. This morning the pair is traded almost flat. At the same time, the USD continued to gain ground compared to the common European currency, slipping well below 1.06.

Government securities' yields and money market rates continued to ease on Friday. The ROBOR ON dropped by 134 bps in a weekly comparison.

According to the NBR's statistics, the current account closed the first two months of the year with a EUR 285 mn surplus. It had EUR 201 mn deficit in the same period of 2014. At the same time, FDI inflows amounted to EUR 409 mn.

Romania's equity benchmarks continued to register gains. All of the indices closed in the green on Friday on higher turnover (RON 39 mn). The shares of Banca Transilvania rallied further (+3.4%), as a result, the bank's stocks are trading around 11% higher than a week earlier. In the CEE region, the Hungarian BUX showed the best performance, adding more than 5% on favourable news over companies' profit taxation. European key indices moved into mixed directions yesterday, while US benchmarks mostly registered smaller losses.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
8-Apr	Wednesday	February	Households services turnover index (YoY%)	0.4	-1.9	
9-Apr	Thursday	February	Industrial production (YoY%)	3.2	1.5	
9-Apr		February	Wholesale services turnover index (YoY%)	7.7	6.0	
9-Apr		February	Exports (FOB, YoY%)	1.2	6.3	
9-Apr		February	Imports (CIF, YoY%)	2.6	4.2	
10-Apr	Friday	March	Consumer price index (YoY%)	0.8	0.7	0.4
10-Apr		February	CA balance (EUR mn, YTD)	285		554
13-Apr	Monday		no data			
14-Apr	Tuesday		no data			

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		9-Apr-15					
Open-end fund	ccy	last NAV/U	1d%	1d%	Ytd%	52W%	52W%
OTP AvantisRO	RON	8.1649	↑	1.05	↑	2.04	↑ 9.55
OTP Obligatiuni	RON	13.8901	↑	0.01	↑	0.79	↑ 5.00
OTP ComodisRO	RON	16.6783	↑	0.00	↑	1.06	↑ 4.55
OTP Euro Bond	EUR	12.1012	↑	0.00	↑	0.65	↑ 3.26
OTP Dollar Bond	USD	10.3625	↑	0.00	↑	0.40	↑ 3.19

Chief Economist
Gergely Tardos

+36 1 3747273

tardosg@otpbank.hu
Analyst
Csaba Bálint

+4021 3075896

csaba.balint@otpbank.ro

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