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Daily Report – Romania

Date: 15.06.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,302.06	↓ -0.90	↓ -1.30
BETPlus	1,074.71	↓ -0.84	↓ -1.23
BET-FI	30,516.24	↓ -0.30	↓ -0.41
BET-XT	661.90	↓ -0.84	↓ -1.14
FP	0.8500	→ 0.00	↓ -1.51
TLV	2.1000	↓ -1.64	↓ -1.77
TGN	280.0000	↓ -0.36	↓ -0.18
EL	11.9700	↓ -0.91	↑ 1.18
SNP	0.3650	↓ -0.68	→ 0.00

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.28	↑ 0.5	↓ -1.0
12 month	1.43	→ 0.0	↓ -2.0
3 year	2.08	↓ -0.5	→ 0.0
5 year	2.98	↑ 1.0	↑ 2.5
10 year	3.92	↑ 2.0	↑ 7.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	1Y	RON 400 mn	RON 400 mn
Monday	4Y	RON 300 mn	RON 300 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.56	→ 0.0	↓ -8.0
3M ROBOR	1.23	↓ -2.0	↓ -3.0
6M ROBOR	1.48	↓ -4.0	↓ -4.0
1Y ROBOR	1.54	↓ -1.0	↓ -3.0
5Y CDS	109.24	→ 0.0	↑ 0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4898	↑ 0.28	↑ 0.39
USD/RON	3.9797	↑ 0.21	↑ 0.48
CHF/RON	4.2832	↑ 0.04	↑ 0.25
100HUF/RON	1.4375	↑ 0.28	↑ 0.89

Source: Reuters, OTP Research

Summary

- Greek default fears continued to weigh on the market yesterday; the RON weakened to around 4.49 against the EUR.
- Romania's current account deficit narrowed to EUR 27 mn in the first four months of the year, down from EUR 326 mn in the same period of 2014.
- The Treasury sold the planned amount of RON 300 mn in 4Y GSs on rising average yield.
- An EC delegation arrives in Bucharest today in order to analyse the country's economic situation.
- Similarly to most of the main global equity indices, the BVB ended in the negative territory amid low volumes.

Sunday's collapse of negotiations between Greece and its European creditors determined the direction of trading yesterday. The Greek government is running out of time, as the country should reimburse around EUR 1.6 bn to the IMF at the end of June. In the risk averse sentiment, the RON continued to lose ground against the EUR, but the EUR/PLN and the EUR/HUF pairs also started the weak higher.

Romania's current account ended the first four months of the year with a thin EUR 27 mn deficit, down from the negative balance of EUR 327 mn a year earlier. The drop is primarily due to the increase of the secondary income's surplus from EUR 398 mn to EUR 854 mn, also as a result of higher EU transfers toward the public administration. At the same time, non-residents' direct investments stood at EUR 1.164 mn, while the country's total external debt fell around EUR 2 bn to EUR 92.3 bn since the end of 2014.

The Treasury managed to sell the planned RON 300 mn in 4Y bonds on 2.78% average yield, up by 17 bps compared to the previous similar auction in the middle of May. The bid-to-cover ratio stood close to 2.4.

A delegation of the European Commission arrives in Bucharest today in order to assess the economic situation of the country. The IMF's technical staff should visit Romania on 15 July as well, if the discussions with the EC's representatives bring a positive outcome.

In line with the major global equity benchmarks, all of the BVB indices finished in the red zone. The BET slumped by 0.9%, but neither did the BET-FI fare much better (-0.3%). Among the individual stocks of the BET, banking shares slipped the most: the BRD lost 2.3%, while the TLV gave up 1.6%. At the same time, equities' total turnover remained at low levels (only RON 14 mn).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
11-Jun	Thursday	May	Consumer price index (YoY%)	1.2	0.8	0.7
11-Jun		April	Industrial production (YoY%)	1.8		4.4
12-Jun	Friday	April	Construction works (YoY%)	10.3		13.0
12-Jun		April	Turnover of market serv. provided to the population (YoY%)	7.0		4.4
15-Jun	Monday	April	Turnover of market serv. rendered mainly to enterp. (YoY%)	9.7		7.8
15-Jun		April	Wholesale services turnover index (YoY%)	2.0		-0.3
15-Jun		April	CA balance (EUR mn, YTD)	-27		406
16-Jun	Tuesday	May	New passenger car registrations (YoY%)	6.4		9.0
17-Jun	Wednesday			no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		12-Jun-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.3541	↑ 0.05	↑ 4.41	↑ 6.54		
OTP Obligatiuni	RON	13.9680	↑ 0.01	↑ 1.35	↑ 4.80		
OTP ComodisRO	RON	16.7259	↑ 0.00	↑ 1.35	↑ 4.15		
OTP Euro Bond	EUR	12.1318	↑ 0.00	↑ 0.91	↑ 3.09		
OTP Dollar Bond	USD	10.4677	↑ 0.70	↑ 1.42	↑ 3.77		

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