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Daily Report – Romania

Date: 24.06.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,250.06	↑ 0.31	↓ -0.35
BETPlus	1,067.96	↑ 0.33	↓ -0.29
BET-FI	29,873.71	↓ -0.33	↓ -1.58
BET-XT	656.53	↑ 0.18	↓ -0.41
FP	0.8130	↓ -0.31	↑ 1.60
SNP	0.3797	↑ 1.77	↑ 5.01
TEL	25.1900	↓ -1.45	↓ -2.74
TLV	2.0350	↓ -0.63	↓ -2.86
SNG	36.2300	↑ 0.17	↑ 1.77

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.27	↓ -1.5	↓ -4.0
12 month	1.43	↓ -0.5	↓ -3.0
3 year	1.96	↓ -7.5	↓ -16.0
5 year	2.90	↓ -7.0	↓ -18.0
10 year	3.92	↓ -6.0	↓ -17.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	4.9Y	RON 300 mn	RON 300 mn
Thursday	2Y	RON 300 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.85	↑ 34.0	↑ 26.0
3M ROBOR	1.29	↓ -1.0	↑ 5.0
6M ROBOR	1.54	↓ -1.0	↑ 5.0
1Y ROBOR	1.62	↓ -1.0	↑ 6.0
5Y CDS	110.67	↓ -0.9	↑ 1.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4726	↓ -0.12	↓ -0.32
USD/RON	3.9914	↓ -0.43	↑ 0.90
CHF/RON	4.2734	↓ -0.43	↓ -0.43
100HUF/RON	1.4373	↓ -0.58	↓ -0.32

Source: Reuters, OTP Research

Summary

- Regarding Greece, no breakthrough was achieved on Wednesday; the negotiations continue today.
- The new Fiscal Code was approved by Romania's Parliament yesterday: the standard VAT rate is set to drop to 19% from 24% starting from 1 January 2016.
- The RON firmed further compared to the EUR, ending the sessions around 4.47.
- RON denominated loans increased 3.1% MoM in May.
- On Wednesday, Romania's equity indices changed rather mixed, while most of the key European and US benchmarks finished in the red.

The Greek saga continued on Wednesday, as the country's creditors did not accept Athens' proposals at the meeting of the eurozone's finance ministers, even though the first impressions related to the planned measure were optimistic. EU officials have a crowded agenda as several meetings take place today in order to reach an agreement.

Yesterday, Romania's parliament voted in favour of the new Fiscal Code despite the concerns raised by the IMF and the European Commission earlier. Among other easing measures, the new regulation includes 19% standard VAT starting from 2016 instead of the actual 24% rate, it also foresees the elimination of the special tax on constructions and the fuel excise duty of 7 eurocent, furthermore aims to reduce the tax rates on dividends from 16% to 5%. The measures should translate into an additional boost to the economy, however they also imply some risks, as the public deficit is set to increase close to 3% of GDP, according to the Finance Ministry's calculations.

On Wednesday, the RON strengthened for the third consecutive day against the EUR.

According to the NBR's statistics released this morning, the RON denominated loans advanced further, reaching a 9.7% yearly growth rate in May, while they increased by 3.1% on monthly basis. The good performance of the RON credits still could not offset entirely the drop of FX loans; as a result, overall non-government loans slipped 1.9% YoY, but it is less than the 3.8% YoY drop recorded a month earlier. Simultaneously, private deposits remained in the positive territory in yearly comparison (+6.0%).

Romanian stocks closed rather mixed yesterday. While the BET could inch up 0.3%, the BET-FI lost the same percentage rate. Several stocks delivered consistent gains among the individual components of the BET: the BVB rallied 3.5%, Electrica advanced 2.4% and OMW Petrom also increased by 1.8%, while Transelectrica slipped the most, giving up 1.5%. At the same time, the traded volumes remained healthy (RON 38 mn), first of all supported by the shares of FP in value of RON 24 mn. The main Western-European and US equity benchmarks mostly slipped after hopes over a Greek resolution faded somewhat.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
22-Jun	Monday	no data			
23-Jun	Tuesday	no data			
24-Jun	Wednesday	no data			
25-Jun	Thursday	May	M3 (broad money, YoY%)	7.1	6.9
25-Jun	May	Non-government loans (YoY%)	-1.9		-3.8
25-Jun	May	Non-government deposits (YoY%)	6.0		6.3

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		23-Jun-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.3050	↑ 0.25	↑ 3.79	↑ 6.47		
OTP Obligatiuni	RON	13.9816	↑ 0.02	↑ 1.45	↑ 4.70		
OTP ComodisRO	RON	16.7331	↑ 0.02	↑ 1.40	↑ 3.96		
OTP Euro Bond	EUR	12.1574	↑ 0.03	↑ 1.12	↑ 3.12		
OTP Dollar Bond	USD	10.4852	↑ 0.01	↑ 1.59	↑ 3.69		

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