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Daily Report – Romania

Date: 02.07.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,323.74	↓ -0.79	↑ 0.86
BETPlus	1,075.72	↓ -0.86	↑ 0.65
BET-FI	29,878.17	↓ -0.11	↑ 0.45
BET-XT	663.32	↓ -0.74	↑ 0.89
BRD	11.0000	↓ -1.61	↑ 4.76
FP	0.8000	↑ 0.06	↓ -0.62
SNG	36.4500	↓ -0.27	↑ 0.72
TLV	2.1440	↓ -0.28	↑ 5.10
EL	12.4500	↓ -0.32	↑ 0.40

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.32	↓ -1.5	↑ 7.0
12 month	1.52	↓ -1.0	↑ 8.0
3 year	2.10	↓ -1.5	↑ 14.0
5 year	3.07	↓ -1.5	↑ 18.5
10 year	4.16	↓ -3.5	↑ 24.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	2.5Y	RON 300 mn	RON 228 mn
Monday	6Y	RON 300 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.61	↓ -6.0	↓ -13.0
3M ROBOR	1.29	↓ -1.0	↑ 1.0
6M ROBOR	1.56	↑ 1.0	↑ 2.0
1Y ROBOR	1.65	↑ 1.0	↑ 3.0
5Y CDS	115.14	↓ 0.0	↑ 4.5

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4785	↑ 0.06	↑ 0.57
USD/RON	4.0403	↓ -0.22	↑ 1.68
CHF/RON	4.2837	↑ 0.34	↑ 1.02
100HUF/RON	1.4215	↓ -0.29	↓ -0.26

Source: Reuters, OTP Research

Summary

- The Greek referendum will be held on Sunday.
- The RON changed little yesterday compared to the common European currency.
- The Treasury sold RON 228 mn in 2.5Y bonds compared the planned RON 300 mn.
- In May, retail trade's advance slowed to 3.1% YoY from 7.1% YoY a month earlier, but the deceleration seems to be temporary.
- BVB indices slipped 0.1%-1.0% on good volumes yesterday.

Greece remained in the focus of investors ahead of Sunday's referendum on whether accepting or not the conditions set previously by the country's creditors. According to a recent poll, 43% of Greek people are intending to vote for the rejection of the EU's bailout proposal, only marginally outdoing those who are in favour of accepting them (42.5%). Meanwhile, the camp of "no" voters appeared to get on a downward trend. In addition, the survey also points out that 81% of the population would prefer to stay in the eurozone. Next Monday, the ECB plans to discuss the terms of the Emergency Liquidity Assistance, which ensures funding to Greek banks, taking also into account the results of the bailout referendum.

The EUR/RON was traded in a tight range, ending Thursday's session below 4.48. On the other hand, the USD depreciated somewhat against the EUR, after US labour data were slightly short of expectations.

At yesterday's auction, the Treasury sold less than the planned RON 300 mn in 2.5Y bonds, while commercial banks subscribed for RON 463 mn. The average accepted yield climbed 5 bps higher to 2.15% compared to the previous similar auction in the first half of June.

In May, the volume of retail trade fell 0.8% MoM (seasonally and working day adjusted data) because of the slipping segments of fuel (-1.8%) and food (-0.1%), while non-food products added 0.4%. On annual basis, the overall index remained in the positive territory (+3.1% YoY, gross data). The recent drawback is expected to be only temporary as the 9% VAT rate on foods was implemented only starting from June, enhancing consumption.

Similarly to most of their Western-European peers, Romania's key equity indices recorded losses between 0.1% and 1.0%, while the traded volumes remained at high levels (RON 60 mn). The BET shrunk 0.8%, with OMW Petrom seeing the highest drop (-2.9%), while the best performance was achieved by the shares of Transelectrica (+2.1%). At the same time, European stocks were dragged down by elevated uncertainties over Greece. As a result, the CAC40 and the DAX sunk 1.0% and 0.7% respectively, while the FTSE100 closed slightly higher (+0.3%). On the other side of the Atlantic, US stocks finished marginally lower ahead of Friday's holiday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
30-Jun	Tuesday	May	ILO unemployment rate (% , seasonally adjusted)		
			7.1		6.9
1-Jul	Wednesday	July	Base rate decision (%)		
			1.75	1.50	1.75
1-Jul		June	FX Reserves, EUR bn		
			30.1		30.2
1-Jul		May	Toursits' overnight stays (YoY%)		
			12.3		14.1
2-Jul	Thursday	May	Producer Price Index (YoY%)		
			-2.4		-2.8
3-Jul	Friday	May	Retail trade (YoY%)		
			3.1		7.1
6-Jul	Monday		no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		1-Jul-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.3933	↑ 0.88	↑ 4.90	↑ 4.67		
OTP Obligatiuni	RON	13.9868	↑ 0.01	↑ 1.49	↑ 4.33		
OTP ComodisRO	RON	16.7385	↑ 0.01	↑ 1.43	↑ 3.92		
OTP Euro Bond	EUR	12.1558	↑ 0.00	↑ 1.11	↑ 2.82		
OTP Dollar Bond	USD	10.4857	↓ 0.00	↑ 1.59	↑ 3.64		

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