

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: 06.07.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,227.43	↓ -0.52	↓ -0.51
BETPlus	1,062.42	↓ -0.52	↓ -0.57
BET-FI	29,744.88	↓ -0.67	↑ 0.56
BET-XT	655.36	↓ -0.51	↓ -0.36
SNG	33.5500	↓ -0.47	↓ -7.29
FP	0.7880	↓ -1.01	↓ -0.82
EL	12.4000	↓ -0.56	→ 0.00
TLV	2.1490	↑ 0.09	↑ 3.12
BRD	10.9300	↓ -0.82	↑ 2.15

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.34	↑ 1.0	↓ -2.0
12 month	1.53	↑ 1.0	→ 0.0
3 year	2.15	↑ 3.5	↓ -1.0
5 year	3.13	↑ 4.5	↓ -2.5
10 year	4.24	↑ 6.0	↓ -1.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6Y	RON 300 mn	RON 0 mn
Thursday	1Y	RON 300 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.61	↑ 2.0	↓ -31.0
3M ROBOR	1.28	→ 0.0	↓ -5.0
6M ROBOR	1.61	↑ 5.0	↑ 5.0
1Y ROBOR	1.69	↑ 4.0	↑ 4.0
5Y CDS	116.04	↑ 0.9	↑ 5.4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4869	↑ 0.19	↓ -0.33
USD/RON	4.0576	↑ 0.53	↑ 1.28
CHF/RON	4.3056	↑ 0.43	↓ -0.64
100HUF/RON	1.4184	↓ -0.58	↓ -0.51

Source: Reuters, OTP Research

Summary

- In line with the CEE region's other currencies, the RON moderately weakened compared to the common European currency.
- Amid the unfavourable market conditions, the Treasury rejected all of the bids at yesterday's auction.
- The NBR injected almost RON 1.6 bn liquidity via a repo operation.
- Net wages increased 7.4% YoY in May, up from 7.0% in April.
- In May, industry's turnover index went down 2.0% YoY.
- The BVB indices gave up between 0.5% and 0.7% yesterday.

The result of the Greek referendum left its mark on Monday's trading session. Accordingly, the EUR fell close to 1.10 against the dollar, while the pair was traded around 1.11 late Friday. At the same time, the RON and its peers in the CEE region also weakened somewhat compared to the 19-nation shared currency, however the movements were not unusually high. Regarding Greece, the EU's top leaders meet today in order to discuss the situation in the light of Sunday's referendum.

Government securities' yields rose by 1-6 bps with higher movements at the long end. Simultaneously, all bids were rejected at yesterday's bond auction. The Treasury initially planned to sell RON 300 mn debt, but due to the unfavourable market conditions it decided to not to accept any offer, as it also holds a comfortable liquidity buffer.

On Monday, Romania's Central Bank held a repo operation too, injecting RON 1.558 mn into the market up from RON 1.334 mn a week earlier.

In May, net wages' growth accelerated to 7.4% YoY, up from April's 7.0% YoY, while in real terms, wages added 6.1%. The positive trend should support household's consumption further, maintaining robust GDP figures in Q2 2015 as well. At the same time, the National Institute of Statistics also published its second GDP estimate for the first quarter of 2015, confirming the 4.3% YoY growth (gross data).

On the other hand, the turnover index of industry slipped 2.0% YoY in May, more than in April (-0.6% YoY), while new orders also fell slightly into the negative territory (-0.1% YoY), after strong data in April (+4.3% YoY).

European stocks ended the day in the red zone, sending the CAC40 2.0% lower, while the DAX lost 1.5% and London's FTSE100 also dropped 0.8%. Romanian equities fared somewhat better, as the main indices slipped between 0.5% and 0.7% respectively on low volumes (RON 23 mn).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
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		
7-Jul	Tuesday	May	Net wage growth rate (YoY%)	7.4	7.0
7-Jul		Q1 2015	Detailed GDP growth rate (YoY%, provisional data 2)	4.3	2.7
7-Jul		May	Industrial trade turnover index (YoY%)	-2.0	-0.6
7-Jul		May	Index value of new orders in manufacturing (YoY%)	-0.1	4.3
8-Jul	Wednesday	May	Turnover of market serv. provided to the population (YoY%)		7.0

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		3-Jul-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.3781	↑ 0.10	↑ 4.71	↑ 4.14		
OTP Obligatiuni	RON	13.9879	↑ 0.00	↑ 1.50	↑ 4.31		
OTP ComodisRO	RON	16.7399	↑ 0.00	↑ 1.44	↑ 3.90		
OTP Euro Bond	EUR	12.1574	↑ 0.00	↑ 1.12	↑ 2.79		
OTP Dollar Bond	USD	10.4863	↑ 0.00	↑ 1.60	↑ 3.63		

Chief Economist
Gergely Tardos

+36 1 3747273

tardosg@otpbank.hu
Analyst
Csaba Bálint

+4021 3075896

csaba.balint@otpbank.ro

Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centered on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to csaba.balint@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.