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Daily Report – Romania

Date: 08.07.2015

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|---------|-----------|----------------|-----------------|
| BET | 7,182.84 | ↓ -0.47 | ↓ -2.70 |
| BETPlus | 1,055.86 | ↓ -0.48 | ↓ -2.69 |
| BET-FI | 29,391.31 | ↓ -0.79 | ↓ -1.74 |
| BET-XT | 651.26 | ↓ -0.52 | ↓ -2.54 |
| FP | 0.7770 | ↓ -0.51 | ↓ -2.81 |
| TLV | 2.1580 | ↔ 0.00 | ↑ 0.37 |
| SNG | 33.3000 | ↓ -0.45 | ↓ -8.89 |
| IMP | 1.4000 | ↓ -2.10 | ↓ -2.37 |
| EL | 12.4000 | ↓ -0.40 | ↓ -0.72 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 1.33 | ↓ -2.0 | ↓ -1.0 |
| 12 month | 1.52 | ↓ -1.0 | ↓ -0.5 |
| 3 year | 2.13 | ↓ -2.0 | ↑ 1.0 |
| 5 year | 3.11 | ↓ -1.5 | ↑ 3.0 |
| 10 year | 4.21 | ↓ -3.0 | ↑ 2.0 |

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 | ↓ -6.0 |
| 3M ROBOR | 1.30 | ↑ 2.0 | ↔ 0.0 |
| 6M ROBOR | 1.59 | ↔ 0.0 | ↑ 4.0 |
| 1Y ROBOR | 1.69 | ↑ 1.0 | ↑ 5.0 |
| 5Y CDS | 116.03 | ↓ 0.0 | ↑ 0.9 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4.4860 | ↑ 0.05 | ↑ 0.23 |
| USD/RON | 4.0491 | ↓ -0.54 | ↓ -0.01 |
| CHF/RON | 4.2839 | ↓ -0.37 | ↑ 0.34 |
| 100HUF/RON | 1.4103 | ↓ -0.30 | ↓ -1.08 |

Source: Reuters, OTP Research

Summary

- Greece submitted its request for a three-year aid to the ESM.
- The RON remained almost flat compared to the EUR yesterday.
- GS's yields eased 1-3 bps on Wednesday.
- June's CPI data will be released tomorrow; negative figures are expected due to the VAT rate cut on foods.
- Romanian stocks mostly fell yesterday, while equities' total turnover went up to RON 59 mn.

On Wednesday, Athens' authorities submitted the formal request of a three-year bailout loan to the European Stability Mechanism, the eurozone's entity that is responsible for the administration of financial assistance to member states. In exchange for the rescue fund, Greece promised to introduce tax and pension reforms, though the detailed measures were not revealed yet. The full list would be presented on Thursday by a midnight deadline, Prime Minister Alexis Tsipras said yesterday, while a final verdict regarding Greece should be taken on Sunday's EU summit. At the same time, the capital controls and bank holidays were extended for the rest of the week in the southern European country, according to press information.

Hopes for a potential bailout deal helped the EUR to advance above 1.1050 against the US dollar. The RON changed little compared to the 19-nation shared currency yesterday, but it seems to be stronger this morning, as the pair is currently traded below 4.48.

The yield curve shifted down 1-3 bps on Wednesday, while the Treasury aims to sell RON 300 mn in 12M bills today.

On Friday, the National Institute of Statistics will publish consumer price statistics for June, the first month when the reduced VAT rate was in place. As a result, the inflation rate should slip into the negative territory (the market expectation stays at -0.9% YoY according to a Reuters poll), after the 1.2% YoY hike in May.

Despite the positive trading sentiment on Western European equity markets, the BVB indices generally ended the day lower: the BET sunk 0.5% and the BET-FI lost 0.8%.

| Date | PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|--------|-----------|-----------|--|-----------|----------|
| 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%) | 7.2 | 7.5 |
| 9-Jul | Thursday | | no data | | |
| 10-Jul | Friday | June | Consumer price index (YoY%) | -0.9 | 1.2 |
| 10-Jul | | May | Industrial production (YoY%) | | 1.8 |
| 10-Jul | | May | Exports (FOB, YoY%) | | 5.5 |
| 10-Jul | | May | Imports (CIF, YoY%) | | 4.7 |

Source: NIS, NBR, Reuters, OTP Research

| OTP AM – Open-End Funds | | 7-Jul-15 | | | | | |
|-------------------------|-----|------------|--------|--------|--------|--|--|
| Open-end fund | ccy | last NAV/U | 1d% | Ytd% | 52W% | | |
| OTP AvantisRO | RON | 8.3363 | ↑ 0.05 | ↑ 4.18 | ↑ 5.33 | | |
| OTP Obligatiuni | RON | 13.9899 | ↑ 0.00 | ↑ 1.51 | ↑ 4.27 | | |
| OTP ComodisRO | RON | 16.7428 | ↑ 0.01 | ↑ 1.46 | ↑ 3.87 | | |
| OTP Euro Bond | EUR | 12.1581 | → 0.00 | ↑ 1.13 | ↑ 2.78 | | |
| OTP Dollar Bond | USD | 10.4865 | ↓ 0.00 | ↑ 1.60 | ↑ 3.61 | | |

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