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Daily Report – Romania

Last data: 06.01.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6.485,42	↓ -0,13	↑ 1,78
BET-C	3.348,11	↑ 0,11	↑ 1,37
BET-FI	31.487,99	↑ 0,63	↑ 2,58
BET-XT	599,67	↓ -0,10	↑ 1,99
SNG	34,1400	↓ -0,15	↑ 1,31
FP	0,8560	↑ 2,70	↑ 2,27
TGN	185,5000	↑ 0,13	↑ 0,68
TLV	1,6400	↓ -0,61	↑ 5,47
BRD	8,7700	↓ -2,56	↓ -2,45

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2,73	↓ -2,5	↓ -1,5
12 month	2,85	↓ -1,0	↓ -1,0
3 year	3,91	→ 0,0	↓ -5,5
5 year	4,65	↓ -0,5	↓ -4,5
10 year	5,27	→ 0,0	↑ 1,5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6M	RON 500 mn	
Thursday	3Y	RON 700 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1,46	↓ -28,0	↑ 9,0
3M ROBOR	2,33	↓ -11,0	↓ -16,0
6M ROBOR	2,93	↓ -6,0	↓ -6,0
1Y ROBOR	3,11	↓ -4,0	↓ -9,0
5Y CDS	166,86	↑ 0,0	↓ -3,6

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,4935	↑ 0,05	↑ 0,45
USD/RON	3,3081	↑ 1,05	↑ 1,85
CHF/RON	3,6531	↑ 0,33	↑ 0,31
100HUF/RON	1,5033	↑ 0,12	↓ -0,14

Source: Reuters, OTP Research

Summary

- BET lost 0.1% on Friday on an equities' turnover of EUR 7.7 mn. One third of liquidity was made by 11 deals; Fondul Proprietatea gained 2.7% and closed at 0.8560 RON/share; this week, investors will be watching the US nonfarm payrolls and Fed's minutes release from the December meeting;
- The Central Bank is seen cutting the base rate to 3.75% on Wednesday; budget expenditures have enhanced banking system liquidity in the last months;
- The Treasury plans to sell RON 1.2 bn this week of a total of RON 3.8 bn in January.

In the first trading session of the year, BVB's indexes closed mixed, with BET losing 0.1%. The blue chips' index, the composite index and the financial companies' index BET-FI ended in the green. BET-FI gained 0.6% on the day, supported by Fondul Proprietatea which added 2.7% and closed the day at 0.8560 RON/share. Total equities' turnover stood at EUR 7.7 mn and the deals market was quite active, making up one third of liquidity in 11 trades with 5 stocks. In Europe, stock indexes ended in the green on Friday. Investors will be eyeing the US non farm payrolls data this week, due on Friday, to assess whether the pace of announced asset purchases by the Fed will be maintained. Also, on 8th January the minutes of Fed's December meeting will be released. In Europe, the ECB will hold a rate meeting on 9th January and expectations are for ECB to maintain interest rates unchanged.

Domestically, the Central Bank will also hold a monetary policy meeting on Wednesday and the market expects to see another cut of 25 bps to 3.75%. The excess liquidity has pushed down interest rates in the recent months. ROBOR 3M stood at 2.33% on Friday. The Ministry of Finance was able to record a 0.9% deficit in December after data showed that during the first 11M, the budget deficit stood at 1.6% of GDP (the cash deficit agreed with the IMF for 2013 stands at 2.5%). This contributed to enhanced liquidity conditions. The NBR governor says a reduction in the required reserves is on the cards in 2014. This measure would unleash resources needed for longer term financing whereas banks' appetite for lending has not resumed yet. According to the survey operated by NBR in November, banks' expectations were for a decrease in the offer of mortgage loans and lending to companies while consumer loans offer was seen to remain unchanged. Latest data showed that private loans fell by 4.1% YoY in November.

The Treasury will hold two auctions this week, to sell RON 1.2 bn in 6M T-bills and 3Y bonds. For December, the Treasury planned to sell RON 3.8 bn and EUR 200 mn in government securities.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	Dec	FX reserves (bn EUR)	32,5	32,4
Monday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		30-Dec-13					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7,8232	↑ 0,34	↑ 14,26	↑ 14,19		
OTP Obligatiuni	RON	13,0794	↑ 0,05	↑ 6,01	↑ 6,06		
OTP ComodisRO	RON	15,7851	↑ 0,06	↑ 5,60	↑ 5,65		
OTP Eurobond	EUR	11,6297	↑ 0,02	↑ 4,55	↑ 4,57		

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