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Daily Report – Romania

Last data: 15.01.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6.526,26	↑ 0,27	↓ -0,36
BET-C	3.393,60	↑ 0,30	↑ 0,03
BET-FI	32.014,81	↑ 0,39	↑ 1,34
BET-XT	608,12	↑ 0,46	↑ 0,43
FP	0,8265	↓ -0,30	↓ -2,19
TGN	188,2500	↑ 0,99	↑ 1,26
SNP	0,4790	↑ 0,61	↑ 2,13
SNG	33,9700	↑ 0,06	↓ -0,96
BRD	9,1500	↑ 0,11	↓ -2,03

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1,87	↓ -5,5	↓ -76,0
12 month	2,21	↓ -1,5	↓ -55,5
3 year	3,31	↓ -2,0	↓ -50,5
5 year	4,25	↓ -4,0	↓ -25,0
10 year	5,14	↓ -1,5	↓ -10,0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	10Y	RON 500 mn	RON 560 mn
Thursday	15Y	RON 100 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1,00	↓ -5,0	↓ -18,0
3M ROBOR	1,98	↓ -1,0	↓ -18,0
6M ROBOR	2,65	↑ 1,0	↓ -14,0
1Y ROBOR	2,82	↓ -2,0	↓ -21,0
5Y CDS	162,86	→ 0,0	↑ 0,9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4,5230	↓ -0,14	↑ 0,48
USD/RON	3,3232	↑ 0,11	↑ 0,22
CHF/RON	3,6563	↓ -0,40	↑ 0,47
100HUF/RON	1,5061	↑ 0,11	↑ 0,47

Source: Reuters, OTP Research

Summary

- BVB indexes gained between 0.3% -0.7% on low turnover and in line with the trend seen in Europe, where sentiment was positive after the increased estimation of global economic growth released by the World Bank (3.2% in 2014 up from 2.4% in 2013)
- Given expected continued cut of required reserves ratio and the still present excess liquidity, money market rates slide, putting downward pressure on yields, especially the short end of the curve
- The Treasury plans to sell RON 100 mn in 15Y bonds (maturity July 2027).

In line with the trend seen in Europe, BVB's indexes posted gains yesterday, between 0.3%-0.7%. However, total turnover was rather low at EUR 6.8 mn. The deals market was very active and covered one third of liquidity in 8 trades with 7 stocks. The top gainer was the blue chips' index ROTX (+0.7%), driven especially by Erste Group Bank (+2.1%), followed by Banca Transilvania (+0.8%) and OMV Petrom (+0.6%). In Europe and the US, the positive sentiment that drove stocks up was related to the improved economic outlook released by World Bank: in 2014, the global economy is expected to grow at 3.2% up from 2.4% in 2013. The 2014 figure is higher by 0.2% compared with bank's forecast in June. Also, the economy is seen at a "turning point" and the fiscal austerity and the governmental policies do not put downward pressure as before.

With required reserves ratio seen declining further this year, money market rates continue to slide and push down government securities yields, especially at the low end of the curve where we saw a weekly drop of 55-76 bps. The long end fell between 10 -50 bps on a weekly basis. The current excess liquidity is pressuring yields for the moment. Today, the Treasury plans to sell RON 100 mn of 15Y bonds (maturing in July 2027). This helps shaping the yield curve further and the planned amount is rather insignificant, compared to the rest of planned auctions.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday		no data		
Thursday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		14-Jan-14				
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%	
OTP AvantisRO	RON	7,8800	↓ -0,65	↑ 1,39	↑ 10,56	
OTP Obligatiuni	RON	13,1051	↑ 0,01	↑ 0,19	↑ 6,01	
OTP ComodisRO	RON	15,8120	↑ 0,01	↑ 0,16	↑ 5,58	
OTP Eurobond	EUR	11,6437	↑ 0,01	↑ 0,11	↑ 4,55	

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