

## Headquarter Treasury Sales

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# Daily Report – Romania

Date: 17.03.2014

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,242.63	↑ 1.75	↓ -1.29
BET-C	3,181.45	↑ 1.73	↓ -0.94
BET-FI	29,187.79	↑ 2.09	↓ -1.31
BET-XT	574.79	↑ 1.80	↓ -1.20
FP	0.7930	↑ 1.54	↓ -2.10
SNG	33.5000	↑ 3.36	↑ 1.82
SIF4	0.9160	↑ 3.50	↑ 3.74
SIF3	0.5410	↑ 4.04	↓ -6.72
SIF1	1.1650	↑ 3.10	↓ -1.27

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.87	↑ 2.5	↑ 5.5
12 month	3.10	↑ 0.5	↑ 9.5
3 year	4.41	↑ 1.5	↑ 19.5
5 year	4.85	↑ 7.0	↑ 24.5
10 year	5.38	⇒ 0.0	↑ 7.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	5Y	RON 400 mn	RON 400 mn
Thursday	5Y	EUR 200 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.98	↓ -3.0	↓ -34.0
3M ROBOR	3.02	↑ 2.0	↓ -4.0
6M ROBOR	3.47	↑ 1.0	↑ 1.0
1Y ROBOR	3.48	⇒ 0.0	⇒ 0.0
5Y CDS	153.09	↑ 0.9	↑ 2

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5103	↑ 0.06	↑ 0.26
USD/RON	3.2401	↑ 0.02	↓ -0.05
CHF/RON	3.7103	↓ -0.21	↑ 0.46
100HUF/RON	144.67	↑ 0.13	↑ 0.50

Source: Reuters, OTP Research

**Summary**

- BET climbed 1.7% yesterday, on a lower turnover than the previous day, when losses were recorded; investors were encouraged by the silent referendum in Ukraine and mild penalty measures to be applied to Russia
- The yield curve shifted upwards up to 7 bps; the Treasury sold 5Y bonds at 4.94%, 16 bps lower than at the end of February
- In January 2014, the CA showed a surplus of EUR 388 mn, higher than in January 2013, due to shrinking trade gap; FDI rose 8% YoY to EUR 244 mn.

Equities' ended in the green yesterday and domestic indexes gained between 1.5% and 2.1%, but on lower turnover compared with the previous day when the market declined: EUR 8.2 mn vs. EUR 20 mn. Again, 3 SIFs made it to top 5 most traded stocks and were seen recovering part of the previous losses: SIF Transilvania added 4% and SIF Banat Crisana was up 3.1% yesterday. Still, the former is 6.7% lower on a weekly basis. In Europe, the sentiment was also up as the referendum in Ukraine went on in silence and the announced penalties for Russia were not considered significant, so that it could fire back. The next market moving moment will take place tomorrow, when the Fed will announce its monetary policy decision and the market expects to see the pace of tapering increasing, with the monthly purchases scaled back by another USD 10 bn.

Although on the equity market investors saw a good entry point, in the fixed income and FX markets, the sentiment was tilt to the negative side: the yield curve shifted upwards up to maximum 7 bps in the case of 5Y bonds. The leu and its peers were marginally down on the day but volatility was low. The Treasury managed to sell the planned RON 400 mn in 5Y bonds at an average accepted yield of 4.94%, lower by 16 bps than the comparable one at the end of February.

The current account balance showed a surplus of EUR 388 mn in January 2014, higher than last year (EUR 267). The main difference comes from the trade deficit which was reduced this year as internal demand strengthens while exports' dynamics moderates. The good news was the FDI figure, EUR 244 mn, translated into an 8% YoY growth. The FDI pickup sets the base for a healthier type of growth and sends a confidence signal in the medium term prospects of the country. Short term external debt continues to decline: EUR 18.3 bn, compared to EUR 19.5 bn one year ago. The most recent trend showed that banks repay their debt while the public component is on the rise.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	no data			
Monday	Jan	CA balance (EUR mn, YTD)	388.0	-1,505

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		14.03.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.2799	↓ -0.90	↓ -6.99	↑ 0.88		
OTP Obligatiuni	RON	13.1958	↑ 0.05	↑ 0.89	↑ 5.60		
OTP ComodisRO	RON	15.9087	↑ 0.01	↑ 0.78	↑ 5.16		
OTP Eurobond	EUR	11.6921	↑ 0.01	↑ 0.54	↑ 3.87		
OTP Dollar Bond	USD	10.0310	↑ 0.02	↑ 0.31	n.a.		

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