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Daily Report – Romania

Date: 08.04.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,449.41	↓ -0.19	↑ 1.42
BET-C	3,263.63	↓ -0.17	↑ 1.52
BET-FI	27,883.76	↓ -2.34	↑ 2.11
BET-XT	580.90	↓ -0.74	↑ 1.70
FP	0.8170	↓ -0.37	↓ -0.85
SIF1	1.0800	↓ -3.14	↓ -5.18
SNG	33.8500	↓ -0.38	↑ 1.90
SIF3	0.4913	↓ -3.48	↓ -5.15
TGN	197.0000	↓ -0.25	↑ 1.29

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.59	↓ -2.0	↑ 2.8
12 month	2.83	↓ -3.0	↑ 4.2
3 year	4.22	↓ -7.0	↑ 4.5
5 year	4.53	↓ -8.5	↓ -9.5
10 year	5.20	↓ -9.0	↓ -8.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	10Y	RON 200 mn	RON 200 mn
Thursday	3Y	RON 500 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.21	↓ -15.0	↓ -22.0
3M ROBOR	2.93	↓ -2.0	↓ -3.0
6M ROBOR	3.29	↓ -1.0	↓ -4.0
1Y ROBOR	3.31	↓ -2.0	↓ -7.0
5Y CDS	151.30	↓ -2.2	↓ -1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4595	↓ -0.16	↓ -0.08
USD/RON	3.2321	↓ -0.56	↓ -0.04
CHF/RON	3.6591	↓ -0.06	↑ 0.09
100HUF/RON	1.46	↑ 0.51	↓ -0.18

Source: Reuters, OTP Research

Summary

- Domestic equity indexes finished in the red yesterday, in line with the European ones; the market does not look determined to any direction this morning and the highlight of the day will be Fed's minutes
- The EUR/RON trades calmly around 4.46 and its peers showed low volatility as well (except for the forint)
- Money market rates are easing after BNR restarted the repo auctions last week; the yield curve inched lower as well (2 to 9 bps).

Domestic stock indexes inched down yesterday and the top loss was recorded by BET-FI, with a drop of 2.3%, led especially by the SIFs, while Fondul Proprietatea closed at 0.8170 RON/share (-0.4%). In Europe, stocks also retreated yesterday and the macro data flow was undistinguished. This morning, the German trade surplus figures (February) came out lower than expected and the exports' pace came much lower than the consensus had predicted. Later on today, the Fed will release the minutes from its March meeting and this will be the highlight of the day. The market does not seem determined to any direction this morning and equities futures are mixed.

The leu continues to trade calmly around the 4.46 level. Except for the Hungarian forint, the rest of its peers showed low volatility yesterday as well. The technical picture shows that the EUR/RON is in the neutral territory after having been in the oversold area for a while.

Money market rates are easing and ROBOR ON is lower by 22 bps on a weekly basis, after the Central Bank restarted its weekly repo that it abandoned in September 2013 due to excess liquidity. The yield curve moved lower as well and the 5 and 10Y maturities are also lower on a weekly basis. The 5Y CDS inched back marginally to 151 bps which shows that risk temperature is comfortable.

Today's domestic macro data will show the evolution of constructions and external trade. This year's bet on infrastructure works is so far a losing one and the plans to lower taxes do not accommodate higher public investments, to the contrary. The external trade figures could give us a clue on the impact that the trade balance may have on the current account which has been shrinking continuously in the past year.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday				
Wednesday	Feb	Construction works index (y-o-y, %)		-9.2
	Feb	Exports (y-o-y, %)		6.3
	Feb	Imports (y-o-y,%)		4.6

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		07.04.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.4805	↓ -0.18	↓ -4.42	↑ 7.43		
OTP Obligatiuni	RON	13.2261	↑ 0.03	↑ 1.12	↑ 5.48		
OTP ComodisRO	RON	15.9493	↑ 0.03	↑ 1.04	↑ 5.07		
OTP Eurobond	EUR	11.7171	↑ 0.02	↑ 0.75	↑ 3.90		
OTP Dollar Bond	USD	10.0417	↑ 0.01	↑ 0.42	n.a.		

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