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Daily Report – Romania

Date: 19.06.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,754.27	↓ -0.37	↓ -2.28
BET-C	3,332.03	↓ -0.25	↓ -1.35
BET-FI	28,418.57	↑ 0.02	↓ -0.09
BET-XT	605.18	↓ -0.30	↓ -0.53
FP	0.8120	↑ 0.25	↑ 0.19
SNG	34.0100	↓ -1.42	↓ -5.53
TLV	1.7800	↓ -0.61	↓ -6.32
TGN	193.7000	↓ -0.62	↑ 0.36
SNP	0.4540	↑ 0.44	↑ 0.93

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.10	↓ -2.5	↓ -7.0
12 month	2.27	→ 0.0	↓ -1.0
3 year	3.16	↓ -4.0	↓ -9.5
5 year	3.62	↓ -0.5	↓ -4.0
10 year	4.46	↓ -0.5	↑ 4.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	4.4Y	RON 300 mn	RON 300 mn
Thursday	6M	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.81	↓ -4.0	↓ -33.0
3M ROBOR	2.38	→ 0.0	↓ -7.0
6M ROBOR	2.75	↓ -3.0	↓ -10.0
1Y ROBOR	2.86	↓ -1.0	↓ -8.0
5Y CDS	135.00	↓ -1.6	↓ -3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.3918	↓ -0.14	↑ 0.00
USD/RON	3.2272	↓ -0.02	↓ -0.54
CHF/RON	3.6094	↓ -0.05	↑ 0.19
100HUF/RON	1.43	↓ -0.01	↑ 0.11

Source: Reuters, OTP Research

Summary

- BET lost 0.4% yesterday whereas most major European stock indexes added up to 1% following Fed's signal of continued accommodative monetary policy
- The Treasury sold 6M T-bills at 2.07%, 66 bps lower than in April.

Domestic stock indexes finished mixed yesterday and BET lost 0.4% on the day and 2.3% on a weekly basis. Total equities' turnover stood at EUR 9.7 mn yesterday. Meanwhile in Europe, major stock indexes ended in the green, adding up to 1% as investors contemplated the Fed's action, which is to keep the monetary policy accommodative longer than the market had expected, unmoved by inflation threat.

The Treasury managed to sell the planned amount of 6M T-bills of RON 500 mn at an average accepted yield of 2.07%, lower by 66 bps than the one at the previous similar auction in the end of April. Demand was good and bid to cover stood at 2.26. Yields continued to sink yesterday and on a weekly basis as well (up to 9 bps). Only the 10Y maturity recovered 4 bps in a week. Money market rates fell 8 to 33 bps as well and the excess liquidity is likely to persist in the coming months given the government debt redemptions and additionally, due to a potential reserve ratio cut in July.

At this point, both major central banks, the Fed and ECB seem to be willing to keep market rates tamed whereas recently the market was feeling more divergence in their actions. These moves could make the domestic bond market attractive for longer than expected, considering risk reward measures.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday		no data		
Friday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		18.06.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.8123	↑ 0.38	↓ -0.18	↑ 11.80		
OTP Obligatiuni	RON	13.3348	↑ 0.01	↑ 1.95	↑ 5.05		
OTP ComodisRO	RON	16.0690	↑ 0.01	↑ 1.80	↑ 4.62		
OTP Eurobond	EUR	11.7822	↑ 0.01	↑ 1.31	↑ 3.02		
OTP Dollar Bond	USD	10.1084	↑ 0.17	↑ 1.09	n.a.		

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