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Daily Report – Romania

Date: 23.06.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,760.77	↑ 0.19	↓ -1.47
BETPlus	1.001,50	↑ 0.15	n.a
BET-FI	28,798.88	↑ 0.74	↓ -1.35
BET-XT	607.64	↑ 0.28	↓ -0.09
FP	0.8140	↑ 0.25	↑ 1.12
TLV	1.7650	↑ 0.28	↓ -4.95
SNG	34.2400	↑ 0.26	↓ -3.82
BRD	9.1300	↑ 0.33	↑ 0.77
SIF5	1.8200	↑ 2.25	↑ 2.71

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.08	↑ 0.5	↓ -3.5
12 month	2.24	↓ -3.0	↓ -2.5
3 year	3.14	↓ -0.5	↓ -4.0
5 year	3.59	↓ -2.5	↓ -2.0
10 year	4.45	↓ -0.5	↑ 4.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	8.8Y	RON 200 mn	RON 200 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.72	↓ -11.0	↓ -19.0
3M ROBOR	2.40	↑ 1.0	↑ 1.0
6M ROBOR	2.77	↑ 1.0	↓ -1.0
1Y ROBOR	2.87	↑ 2.0	↓ -2.0
5Y CDS	135.00	↓ -1.6	↓ -4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.3925	↓ -0.11	↓ -0.05
USD/RON	3.2284	↓ -0.01	↓ -0.58
CHF/RON	3.6099	↑ 0.03	↓ -0.04
100HUF/RON	1.44	↑ 0.06	↑ 0.71

Source: Reuters, OTP Research

Summary

- BET added 0.2%, against the trend seen in Europe where major indexes shed off up to 1.3%, as the June manufacturing PMI data came below expectations and May reading as well
- The Treasury sold bonds with a residual maturity of 8.8 years at an average accepted yield of 4.5%, 28 bps lower than the one of the previous similar auction at the end of May.

BET added 0.2% on an equities' turnover of EUR 8.6 mn, dominated by deals which made up almost 60% of liquidity. The blue chips index ROTX dropped 0.3% on the day, posting the lowest evolution as a consequence of Erste Group Bank ending 2.5% in the red, in line with the trend seen in Europe. Most major European stock indexes posted losses of up to 1.3% as the PMI data for June came out lower than expected and also weaker than the previous month. The French PMI even stood significantly lower than the level of 50 which shows that expectations point to economic expansion: the French Markit manufacturing PMI was 47.8 against expectations for 49.5 and May reading of 49.6. The euro-zone June Markit manufacturing reading stood at 51.9, down from 52.2 in May.

The Treasury managed to sell the planned amount of debt, RON 200 mn of bonds with residual maturity of 8.8 years. Demand was good and bid to cover ratio stood at 2.4, whereas the yield averaged 4.5%, 28 bps lower compared to the previous similar auction held at the end of May. The current bond yields are at historical lows, to which several factors contributed: low inflation, excess liquidity, calm external markets and accommodative monetary policy of the Fed and the ECB which makes European emerging market yields still attractive. Inflation will climb to 3.3% YoY by the end of the year according to NBR from 0.9% seen in May, therefore we can expect downward pressure on bond prices starting in Q3 2014.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday		no data		
Tuesday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		20.06.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.7938	↑ 0.00	↓ -0.42	↑ 12.91		
OTP Obligatiuni	RON	13.3389	↑ 0.02	↑ 1.98	↑ 5.06		
OTP ComodisRO	RON	16.0924	↑ 0.01	↑ 1.95	↑ 4.75		
OTP Eurobond	EUR	11.7836	↑ 0.01	↑ 1.32	↑ 3.02		
OTP Dollar Bond	USD	10.1101	↑ 0.01	↑ 1.10	n.a.		

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