

## Headquarter Treasury Sales

### Head of Sales

**Marius George Ionescu**

+40755 000 437

marius.ionescu@otpbank.ro

**Tania Fantana**

+4021 30758 17

tania.fantana@otpbank.ro

**Alexandru Tibuleac**

+4021 30758 17

alexandru.tibuleac@otpbank.ro

**Alina Vrabioiu**

+4021 30758 17

alina.vrabioiu@otpbank.ro

## Regional Treasury Sales

**Cezar Trandafirescu - Iasi**

+40755 000 246

cezlar.trandafirescu@otpbank.ro

**Szilamer Kozma - Cluj**

+40755 000 400

szilamer.kozma@otpbank.ro

**Valentin Cioraneanu – Brasov**

+40755 000 464

valentin.cioraneanu@otpbank.ro

**Radu Oprea – Bucharest**

+40755000474

radu.oprea@otpbank.ro



# Daily Report – Romania

Date: 02.07.2014

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,078.09	↑ 0.80	↑ 3.21
BETPlus	1,047.02	↑ 0.70	↑ 3.20
BET-FI	30,207.48	↑ 0.79	↑ 3.72
BET-XT	636.44	↑ 0.85	↑ 3.37
FP	0.8500	↓ -0.18	↑ 3.72
SNP	0.4835	↑ 0.52	↑ 2.65
SNG	34.7000	↑ 0.29	↑ 2.12
BRD	9.5500	↑ 0.58	↑ 3.58
TGN	207.9000	↑ 0.92	↑ 5.00

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.02	↓ -1.0	↓ -7.5
12 month	2.12	↓ -1.5	↓ -11.5
3 year	2.90	↓ -2.0	↓ -21.5
5 year	3.32	↓ -3.0	↓ -25.0
10 year	4.30	↓ -3.0	↓ -14.5

**GOV'T BOND AUCTIONS**

Maturity	Auctions	Sold

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.36	↓ -4.0	↑ 40.0
3M ROBOR	2.41	↓ -1.0	↑ 2.0
6M ROBOR	2.73	→ 0.0	↓ -3.0
1Y ROBOR	2.81	↓ -1.0	↓ -5.0
5Y CDS	135.00	↓ -1.6	↑ 0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.3875	↓ 0.00	↓ -0.02
USD/RON	3.2134	↑ 0.03	↓ -0.36
CHF/RON	3.6141	↑ 0.01	↑ 0.15
100HUF/RON	1.41	↑ 0.06	↓ -1.04

Source: Reuters, OTP Research

**Summary**

- BVB indexes added 0.5%-0.9% yesterday and up to 3.7% on a weekly basis; the high US ADP employment change figure (June) is reason for new found optimism in US economic growth
- Retail sales continue to remain strong (+9.2% YoY and 1.9% MoM) in May
- Producer price inflation was 0.8% YoY in May, driven especially by energy and non durable consumer goods, while intermediate goods prices dropped by 1.8% YoY

BVB indexes ended in the green yesterday, adding between 0.5%-0.9% on a daily basis and up to 3.7% on a weekly basis. Total equities' turnover was EUR 12.1 mn and deals made up ~ 40% of total liquidity. This time, the dynamics on the local market was higher than what we saw in Europe were major indexes finished mixed and volatility was rather reduced. The biggest macro figure released yesterday, the US ADP employment change for June showed that the economy added a strong 281K jobs compared to expectations of 205K. Again, the signal sent by the macro data is mixed in the US and investors will still have to remain on the watch to see whether the economy is indeed stronger or not. For the moment, the Fed announced that it will keep rates low and a rate hike is seen at best starting in mid 2015.

In May, retail sales added 9.2% YoY and 1.9% MoM (seasonally adjusted). The figure continues to show strong results, especially the non-food component which gained 15.8% YoY and shows that consumption is indeed picking up and households make decisions outside the inferior goods territory. For the moment, the low inflation rate (0.9% YoY in May) remains supportive as well as the relative strength of the leu.

Producer prices have increased by 0.8% YoY in May, the same as in April and the dynamics on the domestic and external market are 0.8% YoY and 0.7% YoY respectively, while for almost a year (April 2013 –March 2014) prices on external markets have dropped. On large industrial groups, we see that intermediate goods prices have decreased significantly (-1.8% YoY), while top hikes were witnessed in the case of energy (+2.5% YoY) and non-durable consumer goods (+1.8% YoY).

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	May	Retail trade turnover index (y-o-y, %)	9.2	4.5
	May	Producer Price Index (y-o-y, %)	0.8	0.8
	June	FX reserves (bn, EUR)	31.2	30.7
Thursday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		01.07.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.0189	↑ 0.38	↑ 2.46	↑ 17.44		
OTP Obligatiuni	RON	13.4060	↑ 0.01	↑ 2.50	↑ 5.41		
OTP ComodisRO	RON	16.1072	↑ 0.01	↑ 2.04	↑ 4.70		
OTP Eurobond	EUR	11.8222	↑ 0.01	↑ 1.66	↑ 3.27		
OTP Dollar Bond	USD	10.1175	↑ 0.01	↑ 1.18	n.a.		

**Chief Economist**  
**Gergely Tardos**  
+36 1 3747273  
[tardosg@otpbank.hu](mailto:tardosg@otpbank.hu)

**Analyst**  
**Mihaela Neagu**  
+4021 3075864  
[mihaela.neagu@otpbank.ro](mailto:mihaela.neagu@otpbank.ro)

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