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Daily Report – Romania

Date: 04.07.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,015.24	↓ -0.65	↑ 1.99
BETPlus	1,039.10	↓ -0.55	↑ 2.02
BET-FI	30,090.05	↓ -0.56	↑ 1.63
BET-XT	631.20	↓ -0.67	↑ 2.07
EL	0.0587	↓ -3.61	↑ 2.98
EBS	86.9500	↓ -14.96	↓ -15.99
BRD	9.4000	↓ -2.08	↑ 2.23
FP	0.8520	↑ 0.18	↑ 0.71
TGN	210.0000	↑ 1.69	↑ 5.26

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.97	↓ -1.5	↓ -4.5
12 month	2.07	↓ -1.5	↓ -7.0
3 year	2.83	↓ -1.5	↓ -16.5
5 year	3.30	↑ 3.0	↓ -10.5
10 year	4.27	↑ 1.5	↓ -12.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.8	RON 400 mn	
Thursday	2.1	RON 400 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.16	↓ -63.0	↓ -110.0
3M ROBOR	2.30	↓ -4.0	↓ -11.0
6M ROBOR	2.64	↓ -2.0	↓ -10.0
1Y ROBOR	2.73	↓ -3.0	↓ -9.0
5Y CDS	135.00	↓ -1.6	↑ 1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.3873	↓ -0.01	↑ 0.07
USD/RON	3.2313	↑ 0.11	↑ 0.88
CHF/RON	3.6071	↓ -0.07	↓ -0.13
100HUF/RON	1.41	↑ 0.03	↓ -0.04

Source: Reuters, OTP Research

Summary

- Industrial sales and new order figures add to the set of good macro data released in May; industrial turnover added nearly 11% YoY in May
- Net wage rose by 4.4% YoY while the real wage added 3.4% YoY in May; the advance of the latter has supported households' consumption so far.

The series of good macroeconomic data continues with the industrial sales and new orders in May: the industrial turnover pace moved up to 10.9% YoY in May from 6% YoY in April. The new orders figures are also encouraging, of 0.4% YoY even if the headline looks rather shy. In April, new orders inched down to by 6.4% YoY, but this figure is rather volatile. Industry is expected to be among drivers of the economic growth this year as well, as export related production still delivers good figures. The surprise factor could come from the domestic component, to add additional grip to final numbers. One supportive element could be the pickup of corporate lending which is still falling at the moment. So far, corporate investments in fixed capital to support further production has been weak and corporate loans offer has not shined either. However, according to Q2 survey operated by NBR, at least on the offer side the picture has improved.

Net wage has risen by 4.4% YoY in May, a similar pace compared to the previous month. Our favorite statistics remains however the real wage dynamics: it remained in the positive territory, with an advance of 3.4% YoY. So far, this has been an important factor driving the higher consumption expenditure. So far, the outlook for households' consumption expenditure remains optimistic, as retail sales paced up in the April –May, on an annual basis, by nearly 7% YoY / month.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	no data			
Monday	May	Net wage growth rate (y-o-y, %)	4.4	4.5
	May	Industrial trade turnover index (y-o-y, %)	10.9	6.0
	May	Index value of new orders in manufacturing (y-o-y, %)	0.4	-6.4

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		03.07.2014					
Open-end fund	ccy	last NAV/U	1d%		Ytd%		52W%
OTP AvantisRO	RON	8.0449	↓ -0.23	↑	2.79	↑	18.80
OTP Obligatiuni	RON	13.4105	↑ 0.02	↑	2.53	↑	5.41
OTP ComodisRO	RON	16.1119	↑ 0.01	↑	2.07	↑	4.70
OTP Eurobond	EUR	11.8270	↑ 0.01	↑	1.70	↑	3.30
OTP Dollar Bond	USD	10.1187	↑ 0.01	↑	1.19		n.a.

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