

## Headquarter Treasury Sales

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# Daily Report – Romania

Date: 08.07.2014

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,912.66	↓ -0.77	↓ -1.56
BETPlus	1,024.47	↓ -0.74	↓ -1.47
BET-FI	29,783.69	↓ -0.36	↓ -0.62
BET-XT	621.59	↓ -0.81	↓ -1.50
EL	0.0600	↑ 2.21	→ 0.00
FP	0.8520	↑ 0.24	↑ 0.06
EBS	80.8000	↓ -3.69	↓ -23.23
SIF5	1.9270	↑ 1.00	↑ 2.01
TEL	22.0000	↓ -5.90	↓ -6.78

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.82	↓ -11.0	↓ -21.0
12 month	1.95	↓ -9.5	↓ -19.0
3 year	2.72	↓ -7.0	↓ -19.5
5 year	3.22	↓ -6.5	↓ -13.5
10 year	4.21	↓ -3.5	↓ -12.5

**GOV'T BOND AUCTIONS**

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

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.84	↓ -9.0	↓ -152.0
3M ROBOR	2.22	↓ -7.0	↓ -19.0
6M ROBOR	2.61	→ 0.0	↓ -12.0
1Y ROBOR	2.66	↓ -3.0	↓ -15.0
5Y CDS	135.00	↓ -1.6	↑ 0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.3865	↓ -0.01	↓ -0.02
USD/RON	3.2212	↓ -0.03	↑ 0.27
CHF/RON	3.6103	↑ 0.01	↓ -0.10
100HUF/RON	1.42	↑ 0.05	↑ 0.97

Source: Reuters, OTP Research

**Summary**

- Domestic stock indexes continued to drop yesterday, as they did in the past few days; the trend was in line with the dynamics seen in Europe where macro data and banking sector news weighed on sentiment
- The excess liquidity is not so large as ON deposits placed at the standing facility stood at RON 1.6 bn/day in June, compared to RON 6.6 bn/day in January
- The residential works exploded in May (+129% YoY) but constructions' are still bleeding (-10.7% YoY) as civil works are in free fall (-29% YoY) due to low public spending.

Domestic equity indexes posted another day of losses and took after the trend seen in Europe where a combination of macroeconomic data released in Germany as well as news on German banks negotiating large settlements with US authorities has weighed on the sentiment. Total equities' turnover stood at EUR 10.2 mn, within the range seen in the recent period. The FOMC minutes will be released tonight and will set the tone for tomorrow's trading, with investors looking for clues of the next rate hike to be operated by the Fed. For the moment, the market expects it starting in June 2015.

The EUR/RON pair continues to trade roughly unchanged around the 4.39 level but we have seen larger volatility in the case of leu's peers. Meanwhile, government securities yields are shifting even lower. This time, the largest decline is seen at the short end of the curve. The excess liquidity is not so high though, considering that de ON deposits placed with NBR stood at RON 1.6 bn/day (flow data) in June, compared with RON 1.7 bn/day in May. Also, the comparison is even more revealing if we look at January's figure of RON 6.6bn/day and recall that even then, a quick reversion to much higher MM rates was possible: the average ROBOR 3M stood at 2.1% in January and jumped to 3.5% in February as part of the excess was swept off the market.

In May, construction works sank 10.7% YoY, more than in April (-6.8% YoY). There is a clear divergence between residential works which exploded (+129.1% YoY) and the civil engineering (-28.9% YoY) which continues to bleed due to lack of public spending.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Tuesday	no data			
Wednesday	May	Construction works index (y-o-y, %)	-10.7	-6.8

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		07.07.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.9144	↓ -0.74	↑ 1.12	↑ 15.30		
OTP Obligatiuni	RON	13.4173	↑ 0.03	↑ 2.58	↑ 5.39		
OTP ComodisRO	RON	16.1189	↑ 0.03	↑ 2.11	↑ 4.67		
OTP Eurobond	EUR	11.8297	↑ 0.02	↑ 1.72	↑ 3.28		
OTP Dollar Bond	USD	10.1215	↑ 0.02	↑ 1.22	n.a.		

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