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Daily Report – Romania

Date: 16.07.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,955.19	↑ 0.31	↑ 1.49
BETPlus	1,029.64	↑ 0.28	↑ 1.34
BET-FI	29,623.57	↑ 0.13	↓ -0.45
BET-XT	623.47	↑ 0.28	↑ 1.03
FP	0.8485	↑ 0.06	↓ -0.18
SNG	34.0000	↑ 0.98	↑ 0.15
SIF3	0.3050	↓ -0.72	↑ 2.62
SNP	0.4861	↑ 0.27	↑ 4.47
TGN	207.5000	↑ 1.22	↑ 2.17

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.87	⇒ 0.0	↑ 7.5
12 month	2.00	↑ 0.5	↑ 9.0
3 year	2.72	↑ 0.5	↑ 2.0
5 year	3.27	↓ -1.0	↑ 4.5
10 year	4.21	↓ -2.0	↑ 1.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	4.9	RON 500 mn	RON 500 mn
Thursday	1.3	RON 300 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.84	↓ -9.0	↑ 7.0
3M ROBOR	2.17	↓ -1.0	⇒ 0.0
6M ROBOR	2.50	↓ -4.0	↓ -8.0
1Y ROBOR	2.60	↓ -1.0	↓ -4.0
5Y CDS	119.60	⇒ 0.0	↓ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4405	↑ 0.42	↑ 1.10
USD/RON	3.2829	↑ 0.74	↑ 1.94
CHF/RON	3.6544	↑ 0.41	↑ 1.15
100HUF/RON	1.43	↑ 0.36	↑ 1.07

Source: Reuters, OTP Research

Summary

- BET gained 0.3% yesterday while in Europe major indexes 's advance gravitated around 1%; the energy stocks on BVB were yesterday's winners; OMV Petrom announced oil discovery in the Black Sea
- The EUR/RON moved to 4.44; market conditions do not justify a sustained appreciation in the near term
- The yield curve shifted up on a weekly basis.

Domestic equity indexes showed moderate gains yesterday compared with major European indexes where the daily hikes gravitated more around the 1% level. At BVB, total equities' turnover was not much changed compared to the previous days and stood at EUR 10.2 mn. The energy companies were yesterday's winners and BET-NG added 0.6% on the day. 3 energy companies made it to the top of most traded stocks yesterday. The local dynamics was enlivened by the news of oil discovery in the Black Sea, made by OMV Petrom.

Although money market rates continue to ease ahead of the end of the reserve period, the government securities yield curve shifted up on a weekly basis and only the long end of the curve kept sliding yesterday. The 5 and 10 year maturities retained some attraction while the 3Y bond yield is on the rise. The mid 3Y yield stood at 2.72% which means that the real yield is rather uncompetitive at this level.

The leu has lost 1.1% on a weekly basis and the EUR/RON climbed to 4.44 yesterday, translated into a depreciation of 0.4% in only one day. By comparison, the volatility of its peer currencies was reduced. At this moment, bond prices are at all times high, so one of the main reason for this year's leu appreciation has run out of fuel. The money market is characterized by excess liquidity, while the NBR is analyzing a further cut of the base rate and mandatory reserve ratio. The political scene is building up tension ahead of presidential elections and fiscal issues emerge as we approach the 2015 budget deadline. All these factors play against a sustained appreciation for the leu in the near future.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday		no data		
Thursday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		15.07.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.8100	↓ -0.39	↓ -0.21	↑ 12.05		
OTP Obligatiuni	RON	13.4344	↑ 0.02	↑ 2.71	↑ 5.36		
OTP ComodisRO	RON	16.1335	↑ 0.01	↑ 2.21	↑ 4.66		
OTP Eurobond	EUR	11.8354	↑ 0.01	↑ 1.77	↑ 3.28		
OTP Dollar Bond	USD	10.1269	↑ 0.01	↑ 1.27	n.a.		

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