

## Headquarter Treasury Sales

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# Daily Report – Romania

Date: 23.07.2014

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,928.24	↑ 0.46	↓ -0.39
BETPlus	1,025.80	↑ 0.38	↓ -0.37
BET-FI	30,072.38	↑ 0.02	↑ 1.52
BET-XT	624.61	↑ 0.40	↑ 0.18
FP	0.8380	↓ -0.18	↓ -1.24
SNG	33.9500	↑ 0.30	↓ -0.15
BCC	0.0694	↑ 9.46	↑ 10.33
TGN	209.7500	↑ 0.84	↑ 1.08
SIF3	10.8400	↑ 0.65	↑ 0.28

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.92	↑ 0.5	↑ 4.5
12 month	2.06	↓ -0.5	↑ 6.0
3 year	2.80	↓ -2.0	↑ 8.5
5 year	3.31	↓ -4.0	↑ 4.0
10 year	4.15	↓ -4.5	↓ -6.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	6.9	RON 300 mn	RON 557 mn
Thursday	4.3	RON 300 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.77	→ 0.0	↓ -7.0
3M ROBOR	2.20	→ 0.0	↑ 3.0
6M ROBOR	2.55	→ 0.0	↑ 5.0
1Y ROBOR	2.67	→ 0.0	↑ 7.0
5Y CDS	122.25	→ 0.0	↑ 2.7

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4178	↓ -0.60	↓ -0.51
USD/RON	3.2818	↓ -0.56	↓ -0.03
CHF/RON	3.6369	↓ -0.49	↓ -0.48
100HUF/RON	1.44	↓ -0.46	↑ 0.22

Source: Reuters, OTP Research

**Summary**

- BET added 0.5% yesterday ; sentiment is up today after the release of manufacturing PMI (July) data in China and Germany, giving a “thumbs up” to the start of the quarter
- The EUR/RON trades lower this morning, around 4.42; considering the exhausted bond price potential especially on the 3y-5y maturity, the scope for significant appreciation is likely limited
- Private lending dropped further in June, by 3.9% yoY compared to 2.1% in May.

BET added 0.5% yesterday and it moved in line with the dynamics seen in Europe as well. Total equities' turnover stood at EUR 6.2 mn and the deals activity was rather scarce: only 4 trades that made 10% of turnover. Banca Comerciala Carpatica jumped 9.5% on the day after news that the management was mandated to find a partner for a possible merger and that 4 investors have received access to the data. In Europe, major stock indexes ended in the green and sentiment was up as news regarding significant investors in Portugal's lender Banco Espirito Santo made it to the market: yesterday, news was revealed about increased stakes in BES that are held by Goldman Sachs (2.8%) and D.E. Shaw (2.7%) after recent acquisitions on 14-15<sup>th</sup> July. A batch of July manufacturing PMI data is released today: so far China, Germany and France have announced their readings. In China and Germany, results were better than expected while French data came below expectations at 47.6. So far, this is a “go” signal for stocks and translates into a positive start of the quarter.

The EUR/RON pair fell to 4.42 yesterday. However, with bond price potential exhausted at least on the 3-5Y maturity, we see limited scope for significant appreciation.

Private lending dropped 3.9% YoY in June, after posting a slower decline in May, of 2.1% YoY. The corrections come from the foreign currency components, both in the case of corporations and households. Loans in RON have advanced by 7.3% YoY in June compared to 7% YoY in May whereas in the foreign currency component (EUR equivalent) dropped by 9.2% YoY. Mortgage loans added 7% YoY and the RON component nearly doubled in a year while the FCY has already started to decline (-3% YoY). Private savings are higher by 5.9% YoY and the most dynamic component is the one of RON corporate deposits (+12.8% YoY), a sign that companies still prefer to save to the detriment of making investments.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	June	Non-governmental loans (y-o-y, %)	-3.9	-2.1
	June	Non-governmental deposits (y-o-y, %)	5.9	6.6
	June	M3 aggregate (y-o-y, %)	5.3	6.5
Thursday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		22.07.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.8128	↑ 0.39	↓ -0.18	↑ 12.76		
OTP Obligatiuni	RON	13.4479	↑ 0.04	↑ 2.82	↑ 5.35		
OTP ComodisRO	RON	16.1440	↑ 0.01	↑ 2.27	↑ 4.58		
OTP Eurobond	EUR	11.8408	↑ 0.01	↑ 1.82	↑ 3.21		
OTP Dollar Bond	USD	10.1308	↑ 0.01	↑ 1.31	n.a.		

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