

## 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

cezar.trandafirescu@otpbank.ro

**Szilamer Kozma - Cluj**

+40755 000 400

szilamer.kozma@otpbank.ro

**Valentin Cioraneanu – Brasov**

+40755 000 464

valentin.cioraneanu@otpbank.ro



# Daily Report – Romania

Date: 25.07.2014

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,954.88	↓ 0.00	↑ 1.15
BETPlus	1,030.19	↑ 0.03	↑ 1.15
BET-FI	30,216.91	↓ -0.14	↑ 2.55
BET-XT	628.04	↑ 0.07	↑ 1.77
SNG	34.2000	↑ 0.74	↑ 0.59
FP	0.8300	↓ -0.95	↓ -1.95
EBS	87.0000	↑ 1.99	↑ 4.95
SNN	8.4900	↑ 1.68	↑ 3.54
SIF3	0.3232	↑ 0.06	↑ 4.94

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.90	↓ -3.5	↓ -1.0
12 month	2.03	↓ -2.5	↓ -3.5
3 year	2.77	↓ -2.5	↓ -4.0
5 year	3.27	↓ -1.5	↓ -9.5
10 year	4.10	↓ -5.0	↓ -17.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	10.6Y	RON 500 mn	
Monday	12M	RON 1 bn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.50	↓ -46.0	↑ 169.0
3M ROBOR	2.20	→ 0.0	→ 0.0
6M ROBOR	2.54	→ 0.0	↓ -1.0
1Y ROBOR	2.67	↓ -1.0	↑ 1.0
5Y CDS	122.25	↓ 0.0	↑ 2.2

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.3935	↓ -0.25	↓ -1.42
USD/RON	3.2734	↑ 0.04	↓ -0.68
CHF/RON	3.6176	↓ -0.24	↓ -1.39
100HUF/RON	1.43	↓ -0.35	↓ -0.90

Source: Reuters, OTP Research

**Summary**

- BET added 1.1% on a weekly basis; major European stock indexes edged lower on Friday after the release of German IFO sentiment index (July)
- The Treasury plans to sell RON 1.5 bn in government debt today; demand is expected to remain good, as RON 5.8 bn comes to maturity today
- The 6M budgeted deficit stood at 0.5%; the dynamics of revenues and expenditures remains unsatisfactory; the total share of revenues in GDP decreased from 15.5% in H1 13to 15.2% in H1 14.

BET remained flat on Friday and added more than 1% on a weekly basis. Total equities' turnover stood at EUR 5.9mn and in the deals market only 2 trades were made with OMV Petrom and Romgaz. In Europe, stocks drifted lower after the release of the German IFO sentiment index for July which came out at its 9 month minimum. This week macro data release is rich and could pinpoint more explicitly to further expected moves of the Fed and the ECB: we are going to see the release of July inflation data in the euro-zone and the unemployment rate in June. Also, the US non farm payrolls change in July and the unemployment rate will be available as well. The two monetary policies are now seen as divergent and the Fed could hike rates earlier than expected at the moment, which is in the mid year of 2015. Meanwhile, the ECB's monetary policy is expansionary and it is yet to be seen if the ECB will engage in asset purchases.

The yield curve inched lower on Friday and the 10Y mid yield lost 5 bps, while dropping by 17 bps on a weekly basis. The Treasury has two more auctions this month, to be held today. The planned amount is RON 500 mn for bonds with a remaining maturity of 10.6 years and RON 1 bn for 12M T bills. Demand is likely to be healthy, especially since today there will be RON 5.8 Bn in bond redemptions.

The cash budget deficit came at 0.52% in June, mounting from 0.24% in May. The dynamics of revenues is disappointing: total revenues advanced by 2.9% YoY compared to 3.7% YoY in May. Current revenues added 2.8% YoY as opposed to 3.7% YoY in May. Meanwhile on the expenditure side, the reverse is true: total expenditures dropped by 0.3% YoY in June vs. 2.3% YoY in May and current expenditures rose by 2.3% YoY in June compared to 0.7% YoY the previous month. We also notice that the share of revenues in GDP dropped to 15.2% in H1 2014 from 15.5% in H1 2013. Expenditures adjusted more, from 16.6% to 15.7% in the same period, but at the expense of drastic reductions in capital spending. These figures will be the base for a budget revision expected soon.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday		no data		
Monday		no data		

Source: Reuters, NIS, NBR, OTP Research

OTP AM – Open-End Funds		24.07.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.8774	↑ 0.38	↑ 0.65	↑ 13.87		
OTP Obligatiuni	RON	13.4497	↑ 0.01	↑ 2.83	↑ 5.34		
OTP ComodisRO	RON	16.1461	↑ 0.01	↑ 2.29	↑ 4.58		
OTP Eurobond	EUR	11.8421	↑ 0.01	↑ 1.83	↑ 3.21		
OTP Dollar Bond	USD	10.1322	↑ 0.01	↑ 1.33	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)

## Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centred on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to [mihaela.neagu@otpbank.ro](mailto:mihaela.neagu@otpbank.ro) or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.