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Daily Report – Romania

Date: 08.08.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,915.40	↓ -0.49	↓ -0.35
BETPlus	1,025.11	↓ -0.49	↓ -0.32
BET-FI	30,287.32	↑ 0.90	↓ -0.29
BET-XT	623.89	↓ -0.22	↓ -0.38
FP	0.8520	↓ -0.29	↑ 0.29
SIF5	1.9000	↑ 4.34	→ 0.00
EL	11.0100	↓ -0.36	↑ 0.92
SNN	8.2800	↓ -1.43	↓ -0.48
SNG	34.5000	↓ -0.12	↑ 1.77

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.95	↑ 3.0	↑ 4.5
12 month	2.07	↑ 1.5	↑ 9.5
3 year	3.07	↑ 3.5	↑ 22.0
5 year	3.46	↑ 1.0	↑ 11.5
10 year	4.42	↑ 25.5	↑ 27.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	4.5Y	EUR 250 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.18	↑ 2.0	↓ -93.0
3M ROBOR	2.09	↓ -1.0	↓ -7.0
6M ROBOR	2.49	↑ 1.0	↓ -3.0
1Y ROBOR	2.64	↑ 1.0	→ 0.0
5Y CDS	130.50	↑ 2.8	↑ 6.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4459	↑ 0.04	↑ 0.30
USD/RON	3.3148	↓ -0.31	↑ 0.44
CHF/RON	3.6603	↑ 0.02	↑ 0.47
100HUF/RON	1.42	↑ 0.64	↑ 0.29

Source: Reuters, OTP Research

Summary

- BET lost 0.5% on Friday; BET-FI added 0.9% supported by the SIFs; in Europe, major stock indexes finished in the red as geopolitical risks intensify; Q2 macroeconomic data (on Thursday) is expected to be weak
- The yield curve inched up 4-27 bps in a week; the Treasury lowered the amount of debt issuance in August by RON 900 mn as the market context proves less favourable
- The 5Y CDS (euro) inched up 7 bps in a week.

Domestic indexes edged lower on Friday and BET lost 0.5%, on a low equities' turnover (EUR 3.1 mn). Only BET-FI (+0.9%) stayed in the green, heavily supported by the SIFs, especially by SIF Oltenia (+4.3%). Of the blue chips represented by ROTX, two banks (Erste Group Bank and Banca Transilvania) and a pharma stock (Biofarm) managed to gain on Friday. In Europe, the sentiment was down as well, as the news of US ordering air strikes in Iraq re-emphasized the magnitude of geopolitical risks. Also, the weak GDP data expected in the euro-zone core economies is weighing on stocks further. On Thursday, the German GDP data for the second quarter will be released and expectations are for a minor quarterly fall (-0.1% QoQ) in Q2. Earlier on Tuesday, the market will see the ZEW sentiment index which will give a picture of the impact that sanctions on Russia is expected to have and the consensus of economists already pointed to bad numbers for August.

The yield curve climbed significantly in a week, adding 4-27 bps. Bond yields were most affected, especially the 10Y maturity. The Treasury lowered the plan amount to be issued in August, by RON 900 mn. Today, it will hold an auction to sell EUR 250 mn in bonds maturing in January 2019. The 5Y CDS inched up 7 bps in a week.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	June	Construction works index (y-o-y, %)	-13.0	-9.9
Monday	July	Consumer price index (y-o-y, %)		0.7
	June	Exports (y-o-y, %)		7.9
	June	Imports (y-o-y, %)		8.1

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		07.08.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.8492	↓ -0.23	↑ 0.29	↑ 8.85		
OTP Obligatiuni	RON	13.4696	↑ 0.01	↑ 2.98	↑ 5.20		
OTP ComodisRO	RON	16.1764	↑ 0.01	↑ 2.48	↑ 4.53		
OTP Eurobond	EUR	11.8513	↑ 0.01	↑ 1.91	↑ 3.17		
OTP Dollar Bond	USD	10.1400	↑ 0.01	↑ 1.40	n.a.		

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