

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



Daily Report – Romania

Date: 18.08.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,067.33	↑ 1.21	↑ 2.20
BETPlus	1,047.25	↑ 1.14	↑ 2.16
BET-FI	30,421.39	↓ -0.35	↑ 0.44
BET-XT	635.28	↑ 0.86	↑ 1.83
SNG	35.8000	↑ 1.13	↑ 3.77
TEL	23.2500	↑ 3.33	↑ 8.39
FP	0.8740	↑ 0.92	↑ 2.58
EL	11.0400	↑ 0.27	↑ 0.27
TGN	219.5000	↑ 1.15	↑ 6.14

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.03	↓ -3.0	↑ 7.5
12 month	2.14	↓ -0.5	↑ 7.0
3 year	3.11	↓ -2.0	↑ 4.0
5 year	3.45	↓ -1.0	↓ -1.0
10 year	4.38	↓ -1.5	↓ -4.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.8Y	RON 300 mn	RON 300 mn
Thursday	2Y	RON 300 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.83	↓ -26.0	↓ -35.0
3M ROBOR	2.17	↓ -2.0	↑ 8.0
6M ROBOR	2.52	⇒ 0.0	↑ 3.0
1Y ROBOR	2.68	↑ 2.0	↑ 4.0
5Y CDS	129.91	↑ 1.4	↑ 2.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4340	⇒ 0.00	↓ -0.16
USD/RON	3.3185	↑ 0.28	↑ 0.05
CHF/RON	3.6623	↓ -0.09	↑ 0.11
100HUF/RON	1.41	↑ 0.20	↓ -0.09

Source: Reuters, OTP Research

Summary

- BET gained 1.2% yesterday, in line with European markets;
- The Treasury sold 7Y bonds at an average yield of 4.14%, 26 bps higher than in the end of July
- The EUR/RON pair barely moved yesterday; markets are looking forward to Friday's speeches to be held by Janet Yellen and Mario Draghi in Jackson Hole; investors' risk reward profile changes unfavourably for RON assets.

BVB's indexes finished up yesterday, with one exception, BET-FI (-0.35%), dragged down by the SIFs. Total equities' turnover stood at EUR 7.2 mn, around half of the previous two days. BET added 1.2%, in line with the trend seen in Europe, where stocks rallied as investors are cooling off on Russia. Also, stocks find more support as the markets' expectations on ECB starting asset purchases are increasing. According to a poll released by Reuters yesterday, traders attach a 50% probability to ECB pursuing QE in the next 12 months.

The EUR/RON pair was unmoved yesterday, trading around 4.4350. Meanwhile, the Polish zloty and the Hungarian forint strengthened by 0.5% and 0.2% respectively to the euro. The markets are looking forward to Friday's speeches at Jackson Hole, to be delivered by Fed's Chairwoman Janet Yellen and ECB's president Mario Draghi. As QE talks in the euro-zone intensify, the euro is weakening against the dollar and trading around 1.3350 this morning. The two main central banks are slowly moving into opposite directions in terms of monetary policy, with the Fed looking forward to tightening and the ECB to more easing, the risk reward profile changes unfavorably for RON assets.

Government securities yields edged marginally lower yesterday and MM up to 3M continued to ease as well. The Treasury successfully sold RON 300 mn in bonds with a residual maturity of 6.8 years at an average accepted yield of 4.14%, 26 bps higher than the one at the previous similar auction in the end of July. Demand was healthy and total bids mounted to RON 807 mn.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday		no data		
Tuesday		no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		14.08.2014						
Open-end fund	ccy	last NAV/U		1d%		Ytd%		52W%
OTP AvantisRO	RON	7.9287	↑	0.14	↑	1.30	↑	9.78
OTP Obligatiuni	RON	13.4778	↑	0.01	↑	3.05	↑	5.15
OTP ComodisRO	RON	16.1857	↑	0.01	↑	2.54	↑	4.46
OTP Eurobond	EUR	11.8559	↑	0.01	↑	1.95	↑	3.16
OTP Dollar Bond	USD	10.1449	↑	0.01	↑	1.45		n.a.

Chief Economist
Gergely Tardos
+36 1 3747273
tardosg@otpbank.hu

Analyst
Mihaela Neagu
+4021 3075864
mihaela.neagu@otpbank.ro

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