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# Daily Report – Romania

Date: 28.08.2014

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,050.56	↑ 0.04	↓ -0.56
BETPlus	1,045.76	↑ 0.02	↓ -0.48
BET-FI	30,461.22	↓ -0.04	↑ 0.79
BET-XT	634.99	↑ 0.02	↓ -0.25
SNG	36.1400	↑ 0.56	↓ -0.61
EL	11.3800	↑ 0.53	↑ 3.27
SNP	0.4820	↑ 0.31	↓ -1.43
TEL	23.1200	↓ -0.04	↓ -0.09
BRD	8.7950	↓ -0.06	↓ -0.06

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.03	↑ 1.5	↑ 4.0
12 month	2.12	↑ 0.5	↑ 2.0
3 year	2.97	↓ -2.5	↓ -4.0
5 year	3.35	↓ -1.0	↓ -2.5
10 year	4.18	↓ -4.0	↓ -6.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	10.5Y	RON 200 mn	RON 200 mn

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.50	↓ -11.0	↑ 182.0
3M ROBOR	2.23	↓ -1.0	↑ 5.0
6M ROBOR	2.58	↑ 1.0	↑ 6.0
1Y ROBOR	2.69	↓ -2.0	↑ 1.0
5Y CDS	124.08	↓ -2.2	↓ -3.6

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4050	↑ 0.27	↑ 0.06
USD/RON	3.3411	↑ 0.28	↑ 0.80
CHF/RON	3.6512	↑ 0.31	↑ 0.41
100HUF/RON	1.3963	↓ -0.66	↓ -0.52

Source: Reuters, OTP Research

**Summary**

- BET remained in the positive territory yesterday while European stocks were hit by what appeared to be intensified geopolitical tension in Ukraine; European stock opened up this morning, ahead of euro-zone inflation data
- The leu and its peers continued to weaken against the euro. The EUR/RON trades around 4.41 this morning
- Residential building permits fell 7.5% YoY in July after two months of uptakes
- The ILO unemployment rate fell from 7.1% to 7% in July, continuing the downtrend seen this year.

BET posted a marginal gain yesterday while in Europe major indexes slid as geopolitical tension inflates spirits again. Ukrainian officials stated yesterday that Russian forces entered their territory. The security and defense council was convoked to decide on a response. This morning the local market and European stocks as well opened up, all eyes being focused on euro-zone inflation data for August, which will be the triggering factor for ECB's next week policy meeting.

The leu and its peers continue to depreciate to the euro amid increased risk perception in the region. The EUR/RON is trading higher this morning, around 4.41. As we said in previous reports, aside from temporary market events that weaken the leu, fundamentals point in the same direction in the coming quarters.

In July, residential building permits fell 7.5% YoY, after two consecutive months of gains. The 6M moving average still has a positive dynamics on an annual basis, although it appears to be weakening. In Q1 and Q2, residential constructions have been rising whereas the sector's activity decreased on an annual basis due to lower infrastructure construction activity.

In July, the unemployment rate fell to 7% YoY, continuing the clear downtrend witnessed this year.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday July	Residential building permits ( YoY, %)	-7.5		7.3
Friday July	ILO unemployment rate (% , seasonally adjusted)	7.0		7.1

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		27.08.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.9768	↑ 0.27	↑ 1.92	↑ 11.66		
OTP Obligatiuni	RON	13.4946	↑ 0.01	↑ 3.17	↑ 5.10		
OTP ComodisRO	RON	16.2035	↑ 0.01	↑ 2.65	↑ 4.33		
OTP Eurobond	EUR	11.8647	↑ 0.01	↑ 2.02	↑ 3.13		
OTP Dollar Bond	USD	10.1533	↑ 0.01	↑ 1.54	n.a.		

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