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Daily Report – Romania

Date: 29.08.2014

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,145.71	↑ 1.35	↑ 1.19
BETPlus	1,059.21	↑ 1.29	↑ 1.23
BET-FI	30,562.34	↑ 0.33	↑ 0.53
BET-XT	642.34	↑ 1.16	↑ 1.10
EL	11.6500	↑ 2.37	↑ 5.24
FP	0.8770	↑ 0.80	↑ 0.80
SNP	0.4900	↑ 1.66	↑ 1.03
TGN	223.9500	↑ 1.80	↑ 2.26
BRD	8.9900	↑ 2.22	↑ 5.02

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.09	↑ 5.5	↑ 8.5
12 month	2.17	↑ 5.5	↑ 7.0
3 year	3.01	↑ 3.5	→ 0.0
5 year	3.39	↑ 4.0	↑ 1.0
10 year	4.21	↑ 3.0	↓ -4.5

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.53	↑ 3.0	↑ 154.0
3M ROBOR	2.28	↑ 5.0	↑ 9.0
6M ROBOR	2.58	→ 0.0	↑ 8.0
1Y ROBOR	2.70	↑ 1.0	↑ 1.0
5Y CDS	122.73	↓ -1.3	↓ -5.8

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.3991	↓ -0.13	↓ -0.18
USD/RON	3.3500	↑ 0.27	↑ 0.57
CHF/RON	3.6486	↓ -0.07	↑ 0.10
100HUF/RON	1.3969	↑ 0.05	↓ -0.77

Source: Reuters, OTP Research

Summary

- BET opened lower this morning after gaining 1.3% on Friday, when euro-zone inflation data was released and came at the 5Y low, spurring hopes that ECB would proceed to QE
- Government securities yields inched up 3- 5 bps in a week, in line with higher money market rates.

BET moved 1.3% up on Friday, in line with the trend seen in Europe. The much awaited inflation figure for August came in as economists predicted at 0.3% YoY, which is the 5 years low. The number spread hopes that the ECB would start a quantitative easing program, to be announced this week at the monetary policy meeting on Thursday. This morning started on a lower note, as the news flow from Ukraine announced that two Ukrainian vessels were attacked by rebels, short after EU agreed to step up sanctions on Russia as the situation deteriorates.

Government securities yields inched up by 3-6 bps last week, in line with higher money market rates. On 30th September, the Central Bank will hold a monetary policy meeting that is expected to set up a new phase of the easing cycle, considering the large change operated in the inflation outlook for December 2014, of 1.1 pp and also the newly released GDP flash estimate that showed the economy contracted strongly in Q2 (-1% QoQ) and most importantly, that technically the country entered recession.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Friday	July	ILO unemployment rate (% , seasonally adjusted)	7.0	7.1
Monday		no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		28.08.2014					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	7.9686	↓ -0.10	↑ 1.81	↑ 12.26		
OTP Obligatiuni	RON	13.4961	↑ 0.01	↑ 3.19	↑ 5.09		
OTP ComodisRO	RON	16.2051	↑ 0.01	↑ 2.66	↑ 4.33		
OTP Eurobond	EUR	11.8699	↑ 0.04	↑ 2.07	↑ 3.11		
OTP Dollar Bond	USD	10.1539	↑ 0.01	↑ 1.54	n.a.		

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