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Daily Report – Romania

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Summary

- Yesterday the majority of BVB indices changed little, with one exception: the BET-FI gained 1.0%.
- The regional currencies strengthened on Wednesday; the EUR/RON is traded even lower this morning.
- Today the Treasury aims to sell RON 800 mn in 11M T-bills.
- All eyes will be on ECB's policy decision this afternoon; Mario Draghi will hold a press conference starting at 15:30 (Romanian time).

On Wednesday, the BVB indices closed mixed on low volumes. The BET changed little (-0.1%); the best performer was the BET-FI, which gained 1.0% as the majority of SIFs advanced and FP also climbed. Greg Konieczny, the Fund Manager of Fondul Proprietatea stated yesterday, that they were ready to reduce further the shares' discount to NAV in 2015. Currently, the discount is around 29%, while the desired level should be not more than 15%. FP will launch the fifth buy-back programme in February as well as a cash distribution of RON 0.05 per share at the end of June; the secondary listing on the London Stock Exchange is also planned for the second quarter of the year.

European equity markets advanced as according to press information the ECB may announce a EUR 50 bn per month bond-buying programme to support the eurozone's economy. The CAC 40 gained 0.9% and the DAX climbed 0.4% higher. The major US equity indices also closed somewhat higher, based on hopes of new European stimulus measures. The S&P 500 went up almost 0.5% while the Dow Jones industrial average slightly increased (+0.2%).

In line with regional peers, the RON strengthened against the EUR, but it was not enough to offset the downward movement in the EUR/CHF (which dropped below 1.00), hence it weakened compared to the Swiss franc.

Today, all eyes will be on the details of the expected monetary easing measures. Mario Draghi, the ECB's president is scheduled to hold a press conference at 15:30 (Romanian time) about the Governing Council's decision.

Interbank interest rates changed little yesterday while the government securities' yields slightly increased. Today, the Treasury is aiming to sell RON 800 mn T-bills with maturity in December 2015.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday		no data		
Thursday		no data		
Friday		no data		

Source: NIS, NBR, Reuters, OTP Research

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	7,011.69	↓ -0.06	↓ -0.03	
BETPlus	1,034.35	↓ -0.11	↓ -0.15	
BET-FI	29,611.54	↑ 1.00	↓ -0.03	
BET-XT	633.38	↑ 0.06	↓ -0.02	
FP	0.8585	↑ 1.00	↑ 0.88	
SNP	0.3691	↓ -1.05	↓ -4.13	
BRD	9.3500	↓ -0.11	↑ 3.31	
TLV	2.0000	→ 0.00	→ 0.00	
TEL	28.6900	↑ 0.35	↑ 1.34	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	1.23	↑ 3.0	↓ -3.5	
12 month	1.35	↑ 2.0	↓ -5.5	
3 year	2.02	↑ 2.5	↓ -1.5	
5 year	2.21	↑ 1.5	↓ -8.0	
10 year	3.01	→ 0.0	↓ -20.5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	13Y	RON 200 mn	RON 250 mn
Thursday	11M	RON 800 mn	

MONEY MARKET				
	Rate (%)	Daily chg. (bp)	Weekly chg. (bp)	
ON ROBOR	0.42	↑ 1.0	↓ -3.0	
3M ROBOR	1.58	↓ -1.0	↑ 2.0	
6M ROBOR	1.84	→ 0.0	↓ -1.0	
1Y ROBOR	1.87	→ 0.0	→ 0.0	
5Y CDS	112.44	→ 0.0	↓ -2.7	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.5025	↓ -0.24	↑ 0.13	
USD/RON	3.8779	↓ -0.74	↑ 1.63	
CHF/RON	4.5084	↑ 1.01	↑ 20.38	
100HUF/RON	1.4280	↑ 0.12	↑ 1.46	

Source: Reuters, OTP Research

OTP AM – Open-End Funds		20-Jan-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.0071	↑ 0.30	↑ 0.07	↑ 1.04		
OTP Obligatiuni	RON	13.8111	↑ 0.01	↑ 0.21	↑ 5.35		
OTP ComodisRO	RON	16.5935	↑ 0.01	↑ 0.55	↑ 4.90		
OTP Euro Bond	EUR	12.0409	↑ 0.00	↑ 0.15	↑ 3.37		
OTP Dollar Bond	USD	10.3281	↑ 0.01	↑ 0.07	n.a.		

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