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# Daily Report – Romania

Date: 22.01.2015

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,038.10	↑ 0.38	↑ 1.47
BETPlus	1,038.58	↑ 0.41	↑ 1.30
BET-FI	30,085.18	↑ 1.60	↑ 1.94
BET-XT	637.49	↑ 0.65	↑ 1.62
BRD	9.5000	↑ 1.60	↑ 4.91
FP	0.8600	↑ 0.17	↑ 1.78
SNP	0.3700	↑ 0.24	↓ -2.40
TLV	1.9990	↓ -0.05	↑ 3.41
SNG	34.7000	→ 0.00	↑ 0.29

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.23	→ 0.0	↓ -1.0
12 month	1.36	↑ 0.5	↓ -2.5
3 year	2.03	↑ 1.5	↑ 3.5
5 year	2.22	↑ 1.0	↓ 0.0
10 year	3.02	↑ 1.5	↓ -10.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	13Y	RON 200 mn	RON 250 mn
Thursday	11M	RON 800 mn	RON 800 mn

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.42	→ 0.0	↓ -1.0
3M ROBOR	1.57	↓ -1.0	→ 0.0
6M ROBOR	1.81	↓ -3.0	↓ -3.0
1Y ROBOR	1.86	↓ -1.0	→ 0.0
5Y CDS	112.45	↑ 0.0	↓ -1.3

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4932	↓ -0.21	↓ -0.25
USD/RON	3.9524	↑ 1.92	↑ 2.11
CHF/RON	4.5396	↑ 0.69	↑ 0.68
100HUF/RON	1.4379	↑ 0.70	↑ 3.19

Source: Reuters, OTP Research

**Summary**

- Yesterday, the ECB announced a EUR 60 bn per month asset purchase programme from this March until at least September 2016.
- Due to the positive market sentiment, all of the BVB indices closed in the positive territory on Thursday; the BET-FI was the top performer, gaining +1.6%.
- The regional currencies strengthened against the EUR; the EUR/USD closed below 1.14 yesterday.
- The Treasury sold the planned RON 800 mn in 11M government securities at an average yield of 1.36%.

Yesterday the ECB announced an expanded asset purchase program. It plans to buy investment grade assets from both public and private issuers in an amount of EUR 60 bn monthly, thus the programme is bigger than expected. Some additional eligibility criteria will be applied in the case of countries under an EU/IMF adjustment programme.

The programme runs from 2015 March till at least 2016 September, being open ended. The purchases of securities issued by euro area governments and agencies will be based on the Eurosystem NCBs' shares in the ECB's capital key. Purchases of securities of European institutions (which will be 12% of the additional asset purchases, and which will be purchased by NCBs) will be subject to loss sharing. The rest of the NCBs' additional asset purchases will not be subject to loss sharing. The ECB will hold 8% of the additional asset purchases. This implies that 20% of the additional asset purchases will be subject to a regime of risk sharing. The ECB aims to achieve inflation rates below, but close to, 2% over the medium term. In December 2014, the eurozone's Harmonized Index of Consumer Prices (HICP) stood at -0.2% YoY.

In Europe, the next main event of the week will be the election in Greece, which will take place on 25 January. The anti-bailout opposition party Syriza may gain around a third of the votes.

Yesterday, all of the BVB indices ended in the green, with gains between 0.4% and 1.6%, the best performer was again the BET-FI. Total equity turnover increased close to RON 42 mn. This morning Romanian stocks opened higher.

European shares reached seven-year highs after the ECB unveiled its expanded asset purchase programme. The German DAX rose by 1.3%, the CAC 40 climbed 0.8%. The CEE region's equity indices performed even better owing to the positive market sentiment; the BUX gained almost 2.4% and the WIG20 advanced 1.4%. US equity markets were also in the green; the S&P500 closed 1.5% higher.

Due to the announced monetary policy easing, the EUR weakened against the major currencies, the EUR/USD quotations dropped below 1.14 and the EUR/CHF pair closed around 0.99. The RON, in line with regional peers, strengthened compared to the common European currency.

The Treasury successfully sold the planned RON 800 mn in 11M T-bills. The average yield was 1.36%; the bid-to-cover ratio reached to 1.9.

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

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		21-Jan-15					
Open-end fund	ccy	last NAV/U		1d%		Ytd%	52W%
OTP AvantisRO	RON	8.0226	↑	0.19	↑	0.26	↑ 1.22
OTP Obligatiuni	RON	13.8126	↑	0.01	↑	0.22	↑ 5.35
OTP ComodisRO	RON	16.5941	↑	0.00	↑	0.55	↑ 4.90
OTP Euro Bond	EUR	12.0416	↑	0.01	↑	0.16	↑ 3.37
OTP Dollar Bond	USD	10.3283	↑	0.00	↑	0.07	n.a.

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