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Daily Report – Romania

Date: 28.01.2015

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	7,007.52	↑ 0.81	↓ -0.06	
BETPlus	1,034.23	↑ 0.73	↓ -0.01	
BET-FI	29,721.95	↓ -0.33	↑ 0.37	
BET-XT	635.10	↑ 0.67	↑ 0.27	
SNG	34.3500	↑ 0.97	↓ -1.01	
FP	0.8430	↓ -0.24	↓ -1.81	
EBS	87.5000	↓ -4.00	↓ -0.51	
TLV	2.0300	↑ 2.27	↑ 1.50	
BRD	9.6000	↑ 1.05	↑ 2.67	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	1.18	↓ -1.0	↓ -5.5	
12 month	1.33	↓ -0.5	↓ -2.0	
3 year	1.92	→ 0.0	↓ -10.0	
5 year	2.11	↓ -0.5	↓ -10.0	
10 year	2.68	↓ -4.5	↓ -32.5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	8Y	RON 400 mn	RON 567 mn

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	0.61	↓ -4.0	↑ 19.0	
3M ROBOR	1.53	↓ -3.0	↓ -5.0	
6M ROBOR	1.78	↓ -2.0	↓ -6.0	
1Y ROBOR	1.81	↓ -3.0	↓ -6.0	
5Y CDS	109.77	↑ 0.0	↓ -2.7	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.4520	↓ -0.24	↓ -1.12	
USD/RON	3.9436	↑ 0.57	↑ 1.70	
CHF/RON	4.3556	↑ 0.25	↓ -3.39	
100HUF/RON	1.4239	↓ -0.74	↓ -0.28	

Source: Reuters, OTP Research

Summary

- Yesterday, the BVB indices changed mixed, but the main benchmark, the BET gained 0.8% on very nice turnover as Romgaz's shares boosted the traded volumes.
- The RON rallied for the sixth consecutive day; the EUR/RON closed around 4.45 on Wednesday.
- Government bond yields and interbank interest rates lowered yesterday too.
- Budget deficit for 2014 was only 1.9% of GDP, the Ministry of Finance said.
- The banking sector's NPL ratio decreased below 15% in November 2014 as balance sheets' cleaning is going on.

Domestic equity indices changed mixed yesterday. While the main benchmark, the BET gained 0.8% as TLV reached newer highs (2.0300), the BET-FI fell 0.3%. Among investment funds, SIF Moldova showed the most disappointing result, losing 2.3%. Romgaz (SNG) stocks boosted equities' total turnover to above RON 75 mn. SNG shares were traded in volume of RON 36.8 mn on the BVB's regulated market and an additional RON 5.1 mn on the deal segment. In the region, the BET was the best performer. Overall, the main European benchmarks changed little yesterday. The FTSE100 climbed 0.2% higher, the CAC40 declined 0.3%; on the other hand, the DAX could advance 0.8%. Greek stocks continued to slump on Wednesday too; Athens' ATG shares index lost 9.2% while the Greek banking index (FTATBNK) fell almost 27%. In the USA, the Fed maintained the target range for its funds rate (0.00% - 0.25%), as expected. The FOMC's press release repeated it would be 'patient' in deciding when to raise interest rates. After the decision, the US Treasury yields declined and the USD strengthened. The main equity indices decreased, led by energy shares as crude oil prices dropped; the S&P500 lost almost 1.4%.

The RON continued its six-day rally, while its regional peers weakened against the EUR. The EUR/RON was traded near to 4.45 at the end of the day.

Interbank interest rates and government yields decreased further on Wednesday. The ROBOR 3M – an important benchmark rate for private loans – recorded a newer low of 1.53%

According to the Ministry of Finance, Romania's budget deficit was only 1.85% in 2014, lower than expected.

The non-performing loans ratio decreased again in November 2014 as banks' portfolio cleaning is going on; it contracted to 14.95%, down from 15.31% in October.

PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Monday				
Tuesday	December			
	M3 (broad money, YoY, %)	7.8		6.1
	Non governmental loans (YoY, %)	-3.1		-2.7
	Non governmental deposits (YoY, %)	7.5		5.9
Wednesday	December			
	Licenses for residential buildings (monthly)	2,682		2,715
Thursday				
Friday	December			
	ILO unemployment rate (% , seasonally adjusted)			6.5

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		27-Jan-15					
Open-end fund	ccy	last NAV/U		1d%		Ytd%	52W%
OTP AvantisRO	RON	8.0493	↓	-0.40	↑	0.60	↑ 3.82
OTP Obligatiuni	RON	13.8227	↑	0.01	↑	0.30	↑ 5.36
OTP ComodisRO	RON	16.6251	↑	0.01	↑	0.74	↑ 5.04
OTP Euro Bond	EUR	12.0468	↑	0.01	↑	0.20	↑ 3.36
OTP Dollar Bond	USD	10.3302	↑	0.01	↑	0.09	n.a.

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