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Daily Report – Romania

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STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	7,014.88	↓ -0.26	↑ 0.23	
BETPlus	1,035.18	↓ -0.19	↑ 0.19	
BET-FI	29,851.91	↑ 0.19	↓ -1.28	
BET-XT	636.46	↓ -0.25	↑ 0.11	
FP	0.8400	↑ 0.66	↓ -1.75	
EL	12.1600	↓ -0.33	↓ -0.73	
SNP	0.3639	↑ 0.61	↑ 0.22	
BRD	9.7000	↑ 1.04	↑ 1.68	
TLV	2.0350	↓ -3.10	↑ 1.45	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	1.17	↓ -1.0	↓ -5.0	
12 month	1.33	↓ -0.5	↓ -1.5	
3 year	1.91	↓ -1.0	↓ -2.0	
5 year	2.11	↑ 1.5	↓ -3.5	
10 year	2.65	↓ -2.0	↓ -17.5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	12.5Y	RON 600 mn	RON 600 mn

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	0.59	↓ -4.0	↓ -8.0	
3M ROBOR	1.49	↓ -1.0	↓ -8.0	
6M ROBOR	1.70	↓ -1.0	↓ -10.0	
1Y ROBOR	1.77	→ 0.0	↓ -7.0	
5Y CDS	108.42	↑ 0.0	↓ -1.3	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.3960	↓ -0.89	↓ -1.77	
USD/RON	3.8754	↓ -1.26	↓ -2.68	
CHF/RON	4.1750	↓ -2.28	↓ -5.28	
100HUF/RON	1.4147	↓ -0.87	↓ -1.71	

Source: Reuters, OTP Research

Summary

- The BVB indices closed mixed yesterday; the BET lost 0.3%, while the BET-FI went up slightly (0.2%).
- The RON continued to appreciate against the EUR, showing the largest movement in its almost two-week rally; the EUR/RON closed below 4.40 yesterday, and it is traded somewhat higher this morning.
- The Treasury sold the planned RON 600 mn in 12.5Y government securities on record low yields (2.94%).
- In January, the NBR's FX reserves decreased to EUR 30.6 bn from EUR 32.2 bn in December;
- In December, the Producer Price Index was again in the negative territory (-1.4%, YoY).
- Retail sales slightly strengthened on MoM basis (0.3%, seasonally adjusted). In YoY comparison, it advanced 6.5%.

Domestic equity indices moved mixed yesterday. The BET decreased by 0.3%, while the BET-FI advanced slightly (0.2%). Among the individual stocks of the main BVB index, TLV registered the largest correction, dropping by 3.1%, but it is still in the positive territory in week-on-week comparison (+1.5%) and accumulated significant gains since the beginning of the year (around 7%). Equities' total turnover reached RON 41 mn, which is somewhat higher than the average of this year (RON 36 mn). In the CEE region, the BUX advanced the most (+1.1%), and the WIG20 was the weakest index (-0.5%).

After a choppy start led by mixed macroeconomic data, the main European and US equity indices ended the day up. The eurozone's manufacturing PMI (Purchasing Managers' Index) showed a modest growth in January (51.0 vs 50.6 in December) and the concerns related to Greece also eased yesterday. Prime Minister Alexis Tsipras said Greece would stay in the eurozone and that there were important negotiations with European partners and other lenders. On the other hand, Finance Minister, Yanis Varoufakis also suggested he was optimistic that a deal could be reached with the country's international creditors. The main European benchmarks rallied on the good news; the DAX gained 1.3%, the FTSE100 and CAC40 increased by around 0.5% each. The market sentiment was supported also by the rebounding oil prices; as result the main US indices closed 0.9-1.3% higher.

On Monday, the EUR/RON sharply dropped on high volumes. At the end of the day, the pair closed below 4.40; this was the largest daily movement in the RON's almost two-week rally.

The Treasury sold the planned RON 600 mn in 12.5Y government bonds. The average yield was 2.94%; the bid-to-cover ratio stood at 1.8.

The NBR's FX reserves decreased to EUR 30.6 bn in January (it stood at EUR 32.2 bn a month earlier) as significant payments were made toward the European Commission (EUR 1.55 bn) and the IMF (EUR 0.24 bn).

In December, retail sales added 6.5% YoY and 0.3% MoM (seasonally adjusted).

The Producer Price Index for December dropped by 1.4% YoY and 1.1% MoM.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday		no data			
Friday	December	ILO unemployment rate (% , seasonally adjusted)	6.4		6.5
Monday	January	FX Reserves, EUR bn	30.6		32.2
Tuesday	December	Retail trade turnover index (YoY%)	6.5		7.8
	December	Producer Price Index (YoY%)	-1.4		-0.2
Wednesday	February	Base rate decision (%)		2.25	2.50

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		30-Jan-15				
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%	
OTP AvantisRO	RON	8.0437	↑ 0.23	↑ 0.53	↑ 4.69	
OTP Obligatiuni	RON	13.8190	↑ 0.01	↑ 0.27	↑ 5.34	
OTP ComodisRO	RON	16.6287	↑ 0.01	↑ 0.76	↑ 5.06	
OTP Euro Bond	EUR	12.0479	↑ 0.00	↑ 0.21	↑ 3.35	
OTP Dollar Bond	USD	10.3320	↑ 0.01	↑ 0.10	n.a.	

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