

## Headquarter Treasury Sales

**Tania Fantana**

+4021 30758 76

tania.fantana@otpbank.ro

**Alexandru Tibuleac**

+4021 30758 52

alexandru.tibuleac@otpbank.ro

**Alina Gheorghita**

+4021 30758 25

alina.gheorghita@otpbank.ro

**Andreea Nica**

+4021 30758 27

andreea.nica@otpbank.ro

## Regional Treasury Sales

**Szilamer Kozma - Cluj**

+40755 000 400

szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**

+4021 30758 76

tudor.zaman@otpbank.ro



# Daily Report – Romania

Date: 09.02.2015

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,024.53	↓ -0.48	↑ 0.14
BETPlus	1,036.17	↓ -0.40	↑ 0.10
BET-FI	30,220.44	↓ -0.72	↑ 1.23
BET-XT	637.89	↓ -0.55	↑ 0.22
EBS	91.8000	↑ 2.23	↑ 7.31
TGN	266.0000	↓ -0.19	↓ -0.49
SNG	33.7000	↓ -0.88	↓ -1.98
SIF2	1.6890	↓ -0.47	↑ 2.93
TEL	29.1000	↓ -1.69	↓ -0.61

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.18	↑ 4.0	↑ 1.0
12 month	1.32	↑ 2.0	↓ -1.5
3 year	1.84	↑ 2.0	↓ -7.0
5 year	2.04	↑ 1.5	↓ -7.0
10 year	2.71	↑ 8.0	↑ 6.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Thursday	4.4Y	RON 600 mn	RON 600 mn
Monday	10Y	RON 600 mn	RON 600 mn

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.52	↓ -2.0	↓ -7.0
3M ROBOR	1.40	↓ -1.0	↓ -9.0
6M ROBOR	1.64	↓ -1.0	↓ -6.0
1Y ROBOR	1.69	→ 0.0	↓ -8.0
5Y CDS	107.08	→ 0.0	↓ -1.3

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4330	↑ 0.37	↑ 0.84
USD/RON	3.9159	↑ 0.35	↑ 1.04
CHF/RON	4.2342	↑ 0.45	↑ 1.42
100HUF/RON	1.4378	↓ -0.35	↑ 1.63

Source: Reuters, OTP Research

**Summary**

- Monday's trading sentiment was unfavourable; the main BVB indices suffered losses on low volumes; the BET dropped 0.4%.
- No deal was reached with the IMF and the EC, Prime Minister Victor Ponta said.
- The Treasury successfully sold RON 600 mn in 10Y government securities on 2.81% average yield.
- In line with regional peers, the RON depreciated against the EUR yesterday.

In line with global tendencies, Romania's equity markets closed in the red yesterday. The main BVB indices finished 0.3%-0.7% lower, with the exception of the ROTX, which gained 0.1% as Erste's shares rallied after the Hungarian Prime Minister Viktor Orban announced that the special tax on banks will be cut next year by almost EUR 200 mn. According to the Prime Minister, the EBRD and the Hungarian government are each seeking to acquire 15% stake of Erste's local subsidiary. In the CEE region, the BUX registered the best performance (+1.9%) on the good news, followed by the PX (+0.2), while Poland's WIG20 lost more than 0.6%. Global equity markets worried over Greece's standoff with its creditors and investors' sentiment also deteriorated on escalating violence in Ukraine. As a result, the German DAX lost almost 1.7% yesterday. In the USA, the trading day was also characterised by negative mood; the main benchmarks closed 0.4%-0.5% lower.

As risk aversion increased, regional currencies started to weaken against the common European currency and government securities' yields climbed higher. The EUR/RON ended the day slightly above 4.43, but opened somewhat lower this morning. The discussions between the Romanian government and the international partners (IMF, EC) did not support the RON as no deal was reached. On Monday, Prime Minister Victor Ponta said Romania would not sign a new letter of intent and the negotiations would continue in April. The IMF and the EC asked for a significant increase in the natural gas prices sold to households and to restructure several electricity producer companies; the government did not accept the proposed measures.

The Treasury sold the planned RON 600 mn in 10Y government bonds. The average yield stood at record low levels (2.81%); the bid-to-cover ratio (1.4) was lower than at the previous auctions.

The turnover index for the market services provided to the population was in the negative territory (-5.3%) in December 2014.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Thursday		no data			
Friday	December	Net wage growth rate (YoY%)	6.0		5.6
	December	Industrial trade turnover index (YoY%)	4.2		2.4
	December	Index value of new orders in manufacturing (YoY%)	1.6		4.5
Monday	December	Exports (YoY%)	-1.4		3.1
	December	Imports (YoY%)	4.5		3.8
Tuesday	December	Households services turnover index (YoY%)	-5.3		0.6
Wednesday	December	Wholesale services turnover index (YoY%)			6.4

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		6-Feb-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.0698	↑ 0.01	↑ 0.85	↑ 5.71		
OTP Obligatiuni	RON	13.8253	↑ 0.01	↑ 0.32	↑ 5.31		
OTP ComodisRO	RON	16.6354	↑ 0.00	↑ 0.80	↑ 5.01		
OTP Euro Bond	EUR	12.0582	↑ 0.01	↑ 0.30	↑ 3.40		
OTP Dollar Bond	USD	10.3356	↑ 0.00	↑ 0.14	↑ 3.42		

**Chief Economist**
**Gergely Tardos**

+36 1 3747273

[tardosg@otpbank.hu](mailto:tardosg@otpbank.hu)
**Analyst**
**Csaba Bálint**

+4021 3075896

[csaba.balint@otpbank.ro](mailto:csaba.balint@otpbank.ro)

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