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# Daily Report – Romania

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**Summary**

- Romania's key equity indices ended Friday with slight gains; the BET advanced 0.1%, while the BET-FI increased by 0.6%. The major BVB indices went up 1.8%-2.1% week on week.
- The RON changed little on Friday; the EUR/RON closed the week above 4.44.
- The Treasury aims to sell RON 700 mn in 3Y government bonds today.
- In 2014, the current account deficit continued its downward trend; it decreased to EUR 0.7 bn (about 0.5% of GDP) from EUR 1.2 bn in 2013, while inward FDI flows stood at EUR 2.4 bn.

The BVB indices closed with slight gains on Friday. The BET added only 0.1%, while the BET-FI performed nicely, finishing 0.6% higher. Among the individual stocks of the BET index, the Transelectrica increased the most (+1.6%), while the shares of Banca Transilvania lost 1.6%. In a week/week comparison, the main local benchmarks climbed 1.8%-2.1% higher. Benefiting from the better-than-expected GDP figures, European key indices closed in the green on Friday: the CAC40 and the FTSE100 went up 0.6% each and the German DAX inched up 0.4%. In Q4 2014, the EU's gross domestic product grew by 0.4% QoQ (seasonally adjusted) and 1.3% YoY (seasonally adjusted), according to the flash estimates released by Eurostat on Friday. In the last three months of 2014, Germany's economic output expanded by 0.7% QoQ and 1.5% YoY, after the sluggish evolution in Q2 and Q3. The main US equity benchmarks also finished in the positive territory; the major indices added 0.3%-0.8%, supported by the rising oil prices among other things.

Similarly to other CEE currencies, the RON was traded in a relatively tight range compared to the EUR; the EUR/RON ended the day above 4.44.

Today, the Treasury plans to sell RON 700 mn in 2.9Y government bonds. The yield curve shifted up by 4-25 bps week on week; the 10Y maturity saw the highest increase.

In 2014, Romania's current account deficit was reduced below EUR 0.7 bn (around 0.5% of the estimated GDP for 2014) from almost EUR 1.2 bn (0.8%) one year earlier. The favourable trend is primarily due to the widening surplus in services (from EUR 4.7 bn to EUR 5.9 bn). Inward FDI flows stood at EUR 2.4 bn according to the preliminary estimates.

	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
Wednesday	December	Wholesale services turnover index (YoY%)	3.9		6.4
Thursday	December	Industrial Production Index (YoY%)	3.1		0.2
Friday	Q4 2014	Flash GDP growth rate (YoY, %)	2.6		3.3
	January	Consumer price index (YoY%)	0.4	0.2	0.8
	December	Construction works index (YoY%)	15.0		2.2
	December	CA balance (EUR mn, YTD)	-696		-302
Monday		no data			
Tuesday		no data			

Source: NIS, NBR, Reuters, OTP Research

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	7,194.98	↑ 0.09	↑ 1.93	
BETPlus	1,060.39	↑ 0.11	↑ 1.92	
BET-FI	31,069.77	↑ 0.64	↑ 2.07	
BET-XT	653.10	↑ 0.15	↑ 1.82	
SNG	34.0000	↑ 0.06	→ 0.00	
EL	12.2500	→ 0.00	↑ 1.91	
EBS	102.6000	↑ 1.74	↑ 14.25	
FP	0.8730	↑ 0.34	↑ 3.68	
TLV	2.1610	↓ -1.59	↑ 1.93	

  

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	1.25	→ 0.0	↑ 11.5	
12 month	1.40	↓ -1.0	↑ 10.0	
3 year	1.89	↓ -3.5	↑ 7.0	
5 year	2.06	↓ -2.0	↑ 3.5	
10 year	2.88	↓ -3.0	↑ 24.5	

  

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Thursday	1Y	RON 800 mn	RON 800 mn
Monday	3Y	RON 700 mn	

  

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	0.54	↓ -1.0	→ 0.0	
3M ROBOR	1.41	↓ -2.0	→ 0.0	
6M ROBOR	1.65	↓ -1.0	→ 0.0	
1Y ROBOR	1.69	↓ -2.0	→ 0.0	
5Y CDS	106.63	↓ 0.0	↓ -0.5	

  

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.4445	↑ 0.19	↑ 0.63	
USD/RON	3.8992	↑ 0.18	↓ -0.08	
CHF/RON	4.1813	→ 0.00	↓ -0.81	
100HUF/RON	1.4549	↑ 0.27	↑ 0.84	

Source: Reuters, OTP Research

OTP AM – Open-End Funds		12-Feb-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.2437	↑ 0.83	↑ 3.03	↑ 8.29		
OTP Obligatiuni	RON	13.8318	↑ 0.01	↑ 0.36	↑ 5.30		
OTP ComodisRO	RON	16.6392	↑ 0.01	↑ 0.83	↑ 4.91		
OTP Euro Bond	EUR	12.0629	↑ 0.00	↑ 0.34	↑ 3.41		
OTP Dollar Bond	USD	10.3374	↑ 0.01	↑ 0.16	↑ 3.44		

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