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Daily Report – Romania

Date: 10.03.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,038.19	↓ -0.48	↓ -2.26
BETPlus	1,038.32	↓ -0.44	↓ -2.02
BET-FI	30,927.57	↓ -0.17	↓ -0.35
BET-XT	640.64	↓ -0.47	↓ -1.96
FP	0.8610	↓ -0.46	↓ -0.98
SNG	33.6300	↑ 0.09	↑ 0.09
TLV	2.0910	↓ -1.13	↓ -6.23
TEL	29.4700	↓ -0.30	↓ -1.60
BRD	9.4200	↓ -1.87	↓ -3.83

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.32	↓ -0.5	↑ 4.5
12 month	1.48	↑ 1.0	↑ 5.5
3 year	2.08	↑ 0.5	↑ 13.5
5 year	2.30	↑ 3.0	↑ 17.5
10 year	3.08	↑ 1.5	↑ 19.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	4Y	RON 500 mn	RON 500 mn
Thursday	10Y	RON 200 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.60	↓ -1.0	↓ -5.0
3M ROBOR	1.32	↓ -1.0	↓ -5.0
6M ROBOR	1.57	⇒ 0.0	↓ -6.0
1Y ROBOR	1.63	⇒ 0.0	↓ -4.0
5Y CDS	94.98	⇒ 0.0	↓ -3.6

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4445	↓ -0.02	↓ -0.18
USD/RON	4.2141	↑ 1.41	↑ 4.81
CHF/RON	4.1751	↑ 0.45	↑ 0.07
100HUF/RON	1.4659	↑ 1.35	↑ 0.83

Source: Reuters, OTP Research

Summary

- On Wednesday, the USD continued to strengthen compared to the EUR, sinking much below 1.06; as a result, the USD/RON registered a new high again.
- The Finance Ministry aims to sell RON 200 mn in 10Y government bonds today.
- Construction works went up 12.2% YoY (gross data) in January, but dropped 5.4% MoM (SA).
- Exports (FOB) started the year well, showing a 6.4% YoY increase in January; imports (CIF) also grew by 4.1% YoY.
- The BET closed in the negative territory for the fifth consecutive day, but it opened higher this morning; equities' total turnover picked up to RON 46 mn yesterday.

The USD continued its strong rally against the EUR yesterday, ending the day below 1.06. Compared to a day earlier, the EUR/RON changed little on Wednesday; as a result, the **USD/RON** touched a new high at 4.21. Nevertheless, the RON's regional peers could strengthen significantly compared to the common European currency yesterday. This morning the EUR/RON started the day lower too.

Government securities' yields climbed slightly (1-3 bps) higher at maturities longer than 6M. The Finance Ministry aims to borrow RON 200 mn in 10Y bonds today. **MM rates** stood at low levels, suggesting that liquidity surplus persists on the market; the ROBOR 3M eased by 1 bp to 1.32%, a new historical low.

In January, **construction works'** index grew by 12.2% YoY (gross data), down from 15.0% in December. On MoM basis (seasonally adjusted), the index decreased 5.4%.

External trade activity started the year on the right foot. In euro terms, **exports** (FOB) added 6.4% YoY and **imports** (CIF) expanded 4.1% YoY in January.

European stocks welcomed the weak EUR. The main benchmarks soar; the DAX added 2.7%, and the CAC40 also inched up by 2.4%. After the significant losses on Tuesday, US equity markets calmed yesterday; the S&P500 slightly fell (0.2%).

On Wednesday, the BET closed in the red for the fifth consecutive day; the other **BVB indices** also slipped with one exception, as the BET-NG remained almost unchanged. On the other hand, equities' total turnover picked up to RON 46 mn, after it was boosted by FP. The investment fund's shares were traded in volume of RON 16 mn. In addition, SNG and TLV also benefited from above average liquidity.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
9-Mar	Monday	no data			
10-Mar	Tuesday	January	Net wage growth rate (YoY%)	7.1	6
10-Mar		February	Consumer price index (YoY%)	0.4	0.3
10-Mar		January	Industrial trade turnover index (YoY%)	5.6	4.2
10-Mar		January	Index value of new orders in manufacturing (YoY%)	11.1	1.6
11-Mar	Wednesday	January	Industrial production index (YoY%)	1.2	3.1
12-Mar	Thursday	January	Exports (FOB, YoY%)	6.4	-1.4
12-Mar		January	Imports (CIF, YoY%)	4.1	4.5
12-Mar		January	Households services turnover index (YoY%)	-2.5	-5.2
12-Mar		January	Construction works index (YoY%)	12.2	15.0
13-Mar	Friday	January	Wholesale services turnover index (YoY%)		3.9

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		10-Mar-15					
Open-end fund	ccy	last NAV/U		1d%		Ytd%	52W%
OTP AvantisRO	RON	8.1126	↓	-0.79	↑	1.39	↑ 9.06
OTP Obligatiuni	RON	13.8562	↑	0.01	↑	0.54	↑ 5.10
OTP ComodisRO	RON	16.6563	↑	0.00	↑	0.93	↑ 4.74
OTP Euro Bond	EUR	12.0857	↑	0.01	↑	0.53	↑ 3.39
OTP Dollar Bond	USD	10.3458	↓	0.00	↑	0.24	↑ 3.39

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