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Daily Report – Romania

Date: 18.03.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,955.72	↓ -0.57	↓ -1.17
BETPlus	1,025.03	↓ -0.58	↓ -1.28
BET-FI	29,966.31	↓ -0.65	↓ -3.11
BET-XT	631.51	↓ -0.61	↓ -1.43
FP	0.8395	↓ -0.06	↓ -2.50
SNG	33.0700	↓ -0.09	↓ -1.67
TGN	272.0000	↑ 0.37	↑ 0.74
SNP	0.3558	↓ -1.14	↓ -2.25
TLV	2.0900	↓ -0.95	↓ -0.05

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.36	↑ 1.5	↑ 4.0
12 month	1.52	↓ -0.5	↑ 4.5
3 year	2.12	→ 0.0	↑ 4.0
5 year	2.44	↑ 3.0	↑ 14.0
10 year	3.34	↑ 1.0	↑ 26.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3Y	RON 300 mn	RON 300 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.59	↑ 2.0	↓ -1.0
3M ROBOR	1.31	↑ 3.0	↓ -1.0
6M ROBOR	1.55	↑ 1.0	↓ -2.0
1Y ROBOR	1.62	↑ 1.0	↓ -1.0
5Y CDS	94.98	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4510	↑ 0.15	↑ 0.15
USD/RON	4.0975	↓ -2.30	↓ -2.77
CHF/RON	4.1881	↑ 0.47	↑ 0.31
100HUF/RON	1.4687	↑ 0.49	↑ 0.19

Source: Reuters, OTP Research

Summary

- The Fed opened the door for interest rate hikes yesterday, but the pace of increases may be much slower than expected before. As a result, the USD fell significantly against the EUR.
- The EUR/RON slightly climbed higher yesterday (to around 4.45), but it is traded notably lower this morning.
- All of the BVB indices finished in the red zone yesterday, losing 0.5%-0.9% on slightly above average volumes; the BET slipped 0.6%.

As expected, the Fed opened the door for an interest rate hike yesterday, removing the pledge to be 'patient' from its policy statement. On the other hand, the pace of increases may be slower than believed previously, as the Fed's 'dot plot', a survey of what Fed officials consider to be the adequate fund rate at certain times, shows a median of 0.625% for the end 2015, down from 1.125% three months earlier. The median 'dot' for 2016 also fell from 2.50% in December to 1.875% in March. As a result, the USD lost ground against the EUR.

Ahead of Fed's announcement, the RON weakened against the EUR to around 4.45, but the pair is traded significantly lower this morning.

On Wednesday, Romania's equity indices closed a depressing day, as all of the BVB indices finished in the negative territory. The ROTX was the weakest index, after it slipped 0.9%, while the BET lost around 0.6%. The main benchmark was dragged down by Transelectrica (-1.6%) and BRD (-1.3%). Among the individual stocks of the BET, only Transgaz could climb somewhat higher (+0.4%). Equities' total turnover slightly increased to RON 35 mn, led by the shares of FP (RON 11 mn) and SNG (RON 6 mn). In the CEE region, Poland's WIG20 index ended the day with a nice gain (+0.6%), but the other peers of the BET did not fare much better, after the PX slipped 0.2% and the BUX eased 0.8%.

With the exception of the FTSE100, which added 1.6%, Europa's key indices were sluggish yesterday. Growing concerns over Greece still weigh on the market. The Stoxx50 and the DAX slipped 0.1% and 0.5% respectively, while the CAC40 slightly advanced (0.1%). In the USA, equity benchmarks rebounded after the Fed's announcement, which indicated a slower pace of rate hikes. As a result, the Dow Jones composite rallied 1.3%, while the S&P500 and the Nasdaq soared 1.2% and 0.9% respectively.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
16-Mar	Monday	January	CA balance (EUR mn, YTD)	554	-696
17-Mar	Tuesday		no data		
18-Mar	Wednesday		no data		
19-Mar	Thursday		no data		
20-Mar	Friday		no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		17-Mar-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.0213	↓ -0.43	↑ 0.25	↑ 9.10		
OTP Obligatiuni	RON	13.8667	↑ 0.02	↑ 0.62	↑ 5.06		
OTP ComodisRO	RON	16.6615	↑ 0.01	↑ 0.96	↑ 4.71		
OTP Euro Bond	EUR	12.0889	↓ 0.00	↑ 0.55	↑ 3.38		
OTP Dollar Bond	USD	10.3489	↑ 0.01	↑ 0.27	↑ 3.16		

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