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# Daily Report – Romania

Date: 07.04.2015

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,030.55	↑ 0.44	↓ -0.65
BETPlus	1,035.57	↑ 0.39	↓ -0.66
BET-FI	30,294.55	↑ 1.17	↑ 0.05
BET-XT	638.09	↑ 0.48	↓ -0.41
BRD	9.2700	↑ 1.31	↑ 0.22
SNG	35.1000	↑ 0.72	↑ 0.14
EL	12.0900	↑ 0.75	↓ -3.28
FP	0.8590	↑ 1.54	↓ -0.52
EBS	104.5000	↑ 1.46	↑ 3.47

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.41	↓ -6.0	↓ -4.5
12 month	1.55	↓ -4.0	↓ -4.5
3 year	1.98	↓ -8.5	↓ -7.0
5 year	2.30	↓ -3.5	↓ -3.0
10 year	3.24	↓ -1.5	↑ 2.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Thursday	5Y	RON 300 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.50	↓ -78.0	↓ -88.0
3M ROBOR	1.46	↓ -3.0	↓ -2.0
6M ROBOR	1.69	↓ -1.0	⇒ 0.0
1Y ROBOR	1.71	⇒ 0.0	⇒ 0.0
5Y CDS	96.32	⇒ 0.0	⇒ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4143	↓ -0.09	↑ 0.02
USD/RON	4.0811	↑ 0.92	↓ -0.77
CHF/RON	4.2244	↑ 0.14	↓ -0.08
100HUF/RON	1.4793	↑ 0.15	↑ 0.70

Source: Reuters, OTP Research

**Summary**

- The VAT rate will be reduced to 9% for all food products starting from 1 June, Prime Minister Victor Ponta said yesterday.
- The EUR/RON was traded lower on Tuesday; the leu's regional peers could also strengthen against the common European currency, while the USD appreciated compared to the EUR.
- MM rates continued to ease yesterday, especially at the very short end; the ROBOR ON slipped to 1.50%.
- The turnover index for market services rendered to the households grew 1.6% MoM (SWA) and 0.4% YoY.
- In a day characterized by positive trading sentiment all over the European continent, the BET advanced 0.4%, while the top performer, the BET-FI inched up 1.2%.

Prime Minister Victor Ponta announced the reduction of the value added tax for all food items to 9% starting from 1 June. Taking into consideration that food products have almost 38% weight in the consumer basket used for the calculation of the consumer price index (CPI), the decision may have a significant impact on the evolution of the inflation and should enhance further the positive trend of consumption.

In line with its regional peers, the RON gained ground against the EUR, finishing the day somewhat above 4.41, while the common European currency depreciated versus the USD.

Money market rates continued to decrease sharply at the very short end, after the NBR's RON 4.5 bn repo operation. The ROBOR ON came back to 1.50%.

In February, the turnover index for the market services provided to the population increased by 1.6% MoM (seasonally and working day adjusted data) and 0.4% YoY (gross data).

Positive market sentiment ruled European equity markets yesterday. As a result, all of the BVB indices ended in the green zone, but the traded volumes remained at low levels (around RON 16 mn). The BET-FI was the winner of the day, as it went up almost 1.2%, while the main index, the BET could also add more than 0.4%, driven by the shares of FP (+1.5%) and BRD (+1.3%). Yesterday, the TLV's management signed the necessary documents for the takeover of Volksbank Romania. According to the announcement, Banca Transilvania acquired 100 percent of the Volksbank's local subsidiary on a 0.2 P/BV. TLV's shares slipped 0.4% yesterday.

European stocks performed well after the Easter holiday. The FTSE rallied almost 1.9%, but the CAC40 and the DAX also could advance 1.5% and 1.3% respectively. In the USA, the investor sentiment deteriorated somewhat before the closing session; as a result, the key indices finished the day with slight losses. The S&P500 edged down 0.2%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
3-Apr	Friday	February	Retail trade (YoY%)	3.3	6.3
6-Apr	Monday	February	Net wage growth rate ( YoY%)	6.5	7.1
7-Apr	Tuesday	Q4 2014	Detailed GDP growth rate (YoY%, provisional data 2)	2.7	3.3
7-Apr		February	Industrial trade turnover index (YoY%)	-1.0	5.7
7-Apr		February	Index value of new orders in manufacturing (YoY%)	7.1	11.3
8-Apr	Wednesday	February	Households services turnover index (YoY%)	0.4	-1.9
9-Apr	Thursday	February	Industrial production (YoY%)		1.2
9-Apr		February	Wholesale services turnover index (YoY%)		6.3
9-Apr		February	Exports (FOB, YoY%)		6.4
9-Apr		February	Imports (CIF, YoY%)		4.1

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		6-Apr-15					
Open-end fund	ccy	last NAV/U	1d%	1d%	Ytd%	52W%	
OTP AvantisRO	RON	7.9930	↑	0.01	↓ -0.11	↑ 6.85	
OTP Obligatiuni	RON	13.8852	↑	0.02	↑ 0.75	↑ 4.98	
OTP ComodisRO	RON	16.6758	↑	0.01	↑ 1.05	↑ 4.56	
OTP Euro Bond	EUR	12.0995	↑	0.01	↑ 0.64	↑ 3.26	
OTP Dollar Bond	USD	10.3617	↑	0.02	↑ 0.39	↑ 3.19	

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