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Daily Report – Romania

Date: 22.04.2015

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|---------|-----------|----------------|-----------------|
| BET | 7,461.87 | ↓ -0.56 | ↑ 1.53 |
| BETPlus | 1,096.77 | ↓ -0.56 | ↑ 1.45 |
| BET-FI | 31,508.39 | ↑ 0.03 | ↑ 0.60 |
| BET-XT | 673.31 | ↓ -0.52 | ↑ 1.06 |
| FP | 0.9100 | ↑ 0.28 | ↑ 3.82 |
| TLV | 2.4820 | ↓ -0.72 | ↑ 3.37 |
| SNG | 34.6700 | ↑ 0.06 | ↓ -0.80 |
| EL | 11.9000 | → 0.00 | ↓ -0.83 |
| SNP | 0.3825 | ↓ -1.06 | ↑ 2.55 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 1.33 | ↓ -1.0 | ↓ -0.5 |
| 12 month | 1.45 | ↑ 0.5 | ↑ 0.5 |
| 3 year | 1.90 | ↓ -1.5 | ↑ 2.5 |
| 5 year | 2.28 | ↑ 0.5 | ↑ 16.0 |
| 10 year | 3.34 | ↓ -1.0 | ↑ 18.5 |

GOV'T BOND AUCTIONS

| | Maturity | Auctions | Sold |
|----------|----------|------------|------------|
| Monday | 6Y | RON 200 mn | RON 200 mn |
| Thursday | 4Y | RON 400 mn | |

MONEY MARKET

| | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 0.85 | ↑ 8.0 | ↓ -4.0 |
| 3M ROBOR | 1.47 | ↑ 9.0 | ↑ 14.0 |
| 6M ROBOR | 1.64 | ↑ 5.0 | ↑ 9.0 |
| 1Y ROBOR | 1.66 | ↑ 2.0 | ↑ 5.0 |
| 5Y CDS | 98.11 | → 0.0 | ↑ 1.8 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4.4235 | ↓ -0.30 | ↑ 0.00 |
| USD/RON | 4.1239 | ↓ -0.25 | ↓ -0.46 |
| CHF/RON | 4.2448 | ↓ -1.90 | ↓ -1.18 |
| 100HUF/RON | 1.4725 | ↓ -0.86 | ↓ -0.07 |

Source: Reuters, OTP Research

Summary

- The RON continued its own way on Wednesday too, as it appreciated to 4.42 compared to the EUR. Furthermore, the leu could gain some ground against the CHF too, after yesterday's SNB announcement.
- Today the Treasury aims to sell RON 400 mn debt with residual maturity of 4.2Y.
- On Wednesday, GSs' yields changed little, but MM rates inched up; the ROBOR 3M advanced 9 bps in a day.
- The BET closed 0.6% lower, but the shares of FP still remained on an upward trend.

The RON kept going its own way yesterday, as it strengthened to 4.42 against the EUR on lower volumes, while the other currencies of the region depreciated (HUF) or only just preserved (PLN) their previous day's level. However, yesterday's movement of the RON was only enough to offset the losses recorded in the first two days of the week, and so to catch up with the HUF. Looking back at the week, only the PLN could record gains compared to the EUR, on positive macroeconomic data. The RON gained ground versus the CHF as well, after the SNB decided to eliminate exemptions of negative interest rates for several deposit account holders.

Today the Ministry of Finance plans to hold an auction for selling RON 400 mn in 4.2Y bonds.

Government securities' yields did not change significantly on Wednesday. On the other hand, money market rates climbed higher not only at the very short end, but at the longer maturities too.

Romania's equity indices mostly sank yesterday on below average volume (RON 22 mn). The BET was dragged down by SNP (-1.1%) and the banking stocks (BRD -2.1%, TLV -0.7%), while the FP finished again in the green zone (+0.3%), reaching 0.91 RON/share. Weak earnings and worries over Greece weigh on the market in Europe; as a result, the main benchmarks closed mixed. At the same time, US stocks ended the day with slight gains, after several companies reported better-than-expected results and US existing-home sales also rose by 6.1% in March.

| Date | PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|--------|-----------|-----------|---------|-----------|----------|
| 20-Apr | Monday | | no data | | |
| 21-Apr | Tuesday | | no data | | |
| 22-Apr | Wednesday | | no data | | |
| 23-Apr | Thursday | | no data | | |
| 24-Apr | Friday | | no data | | |

Source: NIS, NBR, Reuters, OTP Research

| OTP AM – Open-End Funds | | 21-Apr-15 | | | | | |
|-------------------------|-----|------------|---|-------|---|------|---------|
| Open-end fund | ccy | last NAV/U | | 1d% | | Ytd% | 52W% |
| OTP AvantisRO | RON | 8.3406 | ↓ | -0.09 | ↑ | 4.24 | ↑ 10.23 |
| OTP Obligatiuni | RON | 13.9022 | ↑ | 0.01 | ↑ | 0.88 | ↑ 4.88 |
| OTP ComodisRO | RON | 16.6884 | ↑ | 0.00 | ↑ | 1.13 | ↑ 4.49 |
| OTP Euro Bond | EUR | 12.1071 | ↑ | 0.00 | ↑ | 0.70 | ↑ 3.22 |
| OTP Dollar Bond | USD | 10.3675 | ↓ | 0.00 | ↑ | 0.45 | ↑ 3.17 |

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