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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,523.04	↓ -0.83	↑ 0.26
BETPlus	1,105.57	↓ -0.78	↑ 0.23
BET-FI	31,595.06	↓ -0.30	↑ 0.31
BET-XT	677.75	↓ -0.68	↑ 0.14
FP	0.9180	↓ -0.97	↑ 1.16
BRD	10.3400	↓ -1.34	↑ 0.19
SNG	35.8400	↓ -0.44	↑ 3.43
SNP	0.3892	↓ -0.79	↑ 0.67
TLV	2.4170	↓ -1.31	↓ -3.32

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.34	→ 0.0	↓ -0.5
12 month	1.45	↓ -1.0	→ 0.0
3 year	1.88	→ 0.0	↓ -3.5
5 year	2.28	→ 0.0	→ 0.0
10 year	3.30	↑ 0.5	↓ -5.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Tuesday	0.9Y	RON 1000 mn	RON 1000 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.39	↑ 37.0	↑ 162.0
3M ROBOR	1.49	↑ 3.0	↑ 11.0
6M ROBOR	1.65	→ 0.0	↑ 6.0
1Y ROBOR	1.67	→ 0.0	↑ 3.0
5Y CDS	99.46	→ 0.0	↑ 1.8

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.3798	↓ -0.74	↓ -1.29
USD/RON	3.9881	↓ -1.68	↓ -3.54
CHF/RON	4.1720	↓ -1.78	↓ -3.59
100HUF/RON	1.4555	↓ -1.11	↓ -2.00

Source: Reuters, OTP Research

Summary

- In Q1, the government budget recorded a RON 4.9 bn surplus (0.7% of projected GDP), in contrast with the RON 0.9 bn deficit (0.1%) a year earlier.
- Yesterday, the RON strengthened to around 4.38 compared to the EUR, and gained even more ground against the USD.
- The Treasury sold RON 1,000 mn debt in 11M bills on 1.46% average accepted yield; the bid-to-cover ratio stood at 2.
- The number of new licenses for residential buildings registered a 1.4% (YoY) increase in March.
- Tuesday's trading was pessimistic in Europe; Romania's key equity indices closed 0.3%-1.1% lower too.

Positive news arrived about the public budget execution. According to the Ministry of Finance, an almost 0.7% surplus (cash basis) was achieved in the first quarter of the year. In absolute terms, the value of the surplus reached RON 4.9 bn, in contrast with the RON 0.9 bn deficit recorded in the same period of the previous year. Total revenue advanced remarkably by 12.6% to almost RON 55 bn, while expenditure increased only 0.6%. Significant savings were registered on paid interest, as they dropped 34% (or RON 0.8 bn).

The RON rallied yesterday to around 4.38 against the EUR on Tuesday, while the other currencies of the region showed little variation. The USD lost ground versus the European currency after US consumer confidence indicator fell in April. Market players were also cautious due to the Fed's policy meeting.

The Ministry of Finance successfully sold the planned RON 1 bn in 11M T-bills on 1.46% average yield. Debt managers subscribed for more than RON 2 bn.

In March, the number of new licenses for residential buildings increased by 1.4% YoY, reaching 3,253.

Similarly to the main European benchmarks, Romania's equity indices lost 0.3%-1.1% yesterday. The BET slipped 0.8%, driven by the banking shares TLV and BRD, as each of them edged down 1.3%. The stocks of SNN also showed weak performance (-1.3%). At the same time, the traded volumes stood at low levels (below RON 20 mn). In Western Europe, the main indices sank 1.0%-1.9%, while US stock registered slight gains after choppy trading before the Fed's meeting.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
27-Apr	Monday	March	M3 (broad money, YoY%)	6.5	6.5
27-Apr		March	Non-government loans (YoY%)	-3.4	-3.7
27-Apr		March	Non-government deposits (YoY%)	5.9	5.7
28-Apr	Tuesday	March	Licenses for residential buildings (no.)	3,253	2,249
29-Apr	Wednesday		Economic Sentiment Indicator		102.2
30-Apr	Thursday		ILO unemployment rate (% , seasonally adjusted)		6.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		27-Apr-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.4123	↑ 0.25	↑ 5.13	↑ 14.91		
OTP Obligatiuni	RON	13.9063	↑ 0.02	↑ 0.90	↑ 5.28		
OTP ComodisRO	RON	16.6923	↑ 0.01	↑ 1.15	↑ 4.81		
OTP Euro Bond	EUR	12.1082	↑ 0.00	↑ 0.71	↑ 3.45		
OTP Dollar Bond	USD	10.3706	↑ 0.01	↑ 0.48	↑ 3.37		

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