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Daily Report – Romania

Date: 11.05.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,562.09	↓ -0.29	↓ -0.52
BETPlus	1,110.94	↓ -0.26	↓ -0.46
BET-FI	31,602.77	↓ -0.47	↑ 0.42
BET-XT	681.37	↓ -0.27	↓ -0.36
SNG	36.3000	→ 0.00	↑ 0.55
TLV	2.4020	↑ 0.08	↓ -2.56
EL	11.7000	→ 0.00	↓ -0.85
TGN	269.0000	↓ -0.37	↓ -0.63
BRD	11.0000	→ 0.00	↑ 1.01

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.35	↓ -0.5	→ 0.0
12 month	1.48	→ 0.0	↑ 1.0
3 year	1.96	→ 0.0	↑ 5.5
5 year	2.43	↑ 2.0	↑ 9.5
10 year	3.49	↑ 1.0	↑ 13.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2.7Y	RON 400 mn	RON 400 mn
Thursday	4.1Y	RON 400 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.24	↓ -14.0	↓ -74.0
3M ROBOR	1.40	↓ -2.0	↓ -9.0
6M ROBOR	1.61	→ 0.0	↓ -3.0
1Y ROBOR	1.64	↑ 1.0	↓ -1.0
5Y CDS	99.46	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4493	↑ 0.13	↑ 0.46
USD/RON	3.9892	↑ 0.63	↑ 0.40
CHF/RON	4.2691	↑ 0.33	↑ 0.35
100HUF/RON	1.4591	↓ -0.66	↓ -0.09

Source: Reuters, OTP Research

Summary

- In April, Romania's annual inflation rate stood at 0.7%, while prices rose 0.1% MoM.
- In line with its regional peers, the RON depreciated against the EUR on Monday. On the other hand, the common European currency also weakened compared the US dollar, as yesterday's Eurogroup negotiations did not remove the main uncertainties over Greece's debt problem.
- In the first quarter of 2015, industrial production rose by 3.3% YoY, suggesting that it might have a positive contribution to GDP growth. The NIS will release its Q1 2015 flash estimate tomorrow.
- Amid the unfavourable trading sentiment, the BVB indices finished the day with modest losses.

Consumer prices advanced 0.7% YoY and 0.1% MoM. The highest monthly growth rate was recorded at food products (0.3%), driven by fruits and vegetables (3.3% and 2.1%). On the other hand, non-food prices were almost flat due to the drop in gas prices, nevertheless fuels' CPI continued to increase. Services' prices rose less than 0.1%, after the RON could strengthen on average against the EUR in April.

Although a comprehensive agreement over Greece was not reached in the yesterday's meeting of the Eurogroup, some progress was achieved and the negotiations advanced as well. Nevertheless, this was not enough to convince investors, as the main uncertainties still remained. As a result, the EUR lost ground against the US dollar on Monday, bringing the pair to around 1.115. At the same time, the CEE regions' currencies also weakened compared to the euro. The EUR/RON climbed closer to 4.45 on Monday, and opened slightly higher this morning. It may be worth noting that according to official sources the IMF is already working with national authorities of the SEE region on plans for a Greek default.

Industrial production grew further in March by 0.3% MoM (seasonally and working day adjusted data) and 4.4% YoY (gross data). The monthly 0.3% increase in March was supported by the mining and quarrying sub-sector (+3.2%) and also by manufacturing (+0.6%). As a result, industry expanded 3.3% YoY in the first quarter of 2015, suggesting that the sector might have a positive contribution to GDP growth. The National Institute of Statistics will release its first Q1 2015 GDP estimate tomorrow. According to a Reuters survey, analysts expect 2.7% YoY growth.

Eurozone finance ministers' Greece bailout talks weigh on equity markets too, pushing the main European benchmarks in the red zone. The CAC lost the most (-1.2%), but the DAX and the FTSE100 also closed slightly lower (-0.3% and -0.2% respectively). The BVB indices broadly followed the main European trends, recording modest losses on still low turnover (RON 21 mn); the key index, the BET slipped 0.3%. On the other side of the Atlantic, US benchmarks edged down 0.2%-0.5%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
7-May	Thursday	March	Net wage growth rate (YoY%)	7.2	6.5	
8-May	Friday	March	Industrial trade turnover index (YoY%)	2.8	-1.0	
8-May		March	Index value of new orders in manufacturing (YoY%)	1.1	7.1	
11-May	Monday	March	Exports (FOB, YoY%)	7.2	1.2	
11-May		March	Imports (CIF, YoY%)	11.6	2.6	
12-May	Tuesday	April	Consumer price index (YoY%)	0.7	0.6	0.8
12-May		March	Industrial production (YoY%)	4.4		3.7
13-May	Wednesday	Q1 2015	Flash GDP growth rate (YoY%)		2.7	2.6
13-May		March	Households services turnover index (YoY%)			0.4
13-May		March	Construction works (YoY%)			19.7

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		8-May-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.4271	↑ 0.24	↑ 5.32	↑ 11.45		
OTP Obligatiuni	RON	13.9331	↑ 0.01	↑ 1.10	↑ 4.97		
OTP ComodisRO	RON	16.6999	↑ 0.00	↑ 1.20	↑ 4.41		
OTP Euro Bond	EUR	12.1082	↑ 0.00	↑ 0.71	↑ 3.13		
OTP Dollar Bond	USD	10.3806	⇒ 0.00	↑ 0.57	↑ 3.17		

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