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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,483.25	↑ 0.45	↓ -1.04
BETPlus	1,100.04	↑ 0.43	↓ -0.98
BET-FI	31,299.14	↑ 0.27	↓ -0.96
BET-XT	675.47	↑ 0.42	↓ -0.87
FP	0.8860	↑ 0.51	↓ -2.15
BRD	11.1000	↑ 0.91	↑ 0.91
TLV	2.4000	↑ 1.31	↓ -0.08
TEL	28.9500	↓ -0.17	↑ 0.45
ELMA	0.2050	→ 0.00	↓ -2.43

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.33	↓ -1.0	↓ -2.0
12 month	1.45	↓ -3.0	↓ -2.5
3 year	1.99	↑ 1.0	↑ 3.0
5 year	2.56	↑ 1.5	↑ 12.5
10 year	3.58	↑ 1.0	↑ 9.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	1Y	RON 400 mn	RON 400 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.65	↓ -2.0	↓ -59.0
3M ROBOR	1.34	→ 0.0	↓ -6.0
6M ROBOR	1.55	↓ -1.0	↓ -6.0
1Y ROBOR	1.58	↓ -2.0	↓ -6.0
5Y CDS	99.91	→ 0.0	↑ 0.5

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4512	↑ 0.26	↑ 0.04
USD/RON	3.9331	↑ 1.54	↓ -1.41
CHF/RON	4.2461	↑ 0.36	↓ -0.54
100HUF/RON	1.4407	↓ -0.49	↓ -1.26

Source: Reuters, OTP Research

Summary

- Yesterday's auction was characterized by healthy demand. As a result, the Treasury sold the planned RON 400 mn in 12M bills on 1.39% average yield.
- Yesterday, the RON gave back its Friday's gain compared to the EUR, ending the trading around 4.45; the movement was in line with the CEE region's other currencies. The EUR/RON is traded lower this morning.
- The joint staff of the IMF and the EC will stay in Bucharest between 19 and 26 May in order to review Romania's economic policy. One of the main subjects may be the planned fiscal easing.
- The BET started the week on the right foot, adding 0.5%.

After the somewhat disappointing auction on last Thursday, the Treasury successfully sold the planned amount of RON 400 mn in 12M bills yesterday. The demand was healthy, as investor subscribed for RON 1.25 bn, resulting in a 3.1 bid-to-cover ratio. At the same time, government securities' fixing rates slightly fell up to one year, while they marginally increased at longer maturities.

The CEE region's currencies weakened compared to the EUR yesterday; the leu was not an exception, as the EUR/RON pair went up to 4.45. On the other hand, the USD got strength and rallied to 1.13 against the common European currency.

A joint technical staff of the IMF and the EC started the discussions with local officials over Romania's economic programmes yesterday. One of the main subjects is the planned fiscal relaxation. Supposedly, the staff would stay in Bucharest until 26 May.

In the more benign market sentiment, the BET changed its direction after five consecutive days of losses, ending Monday's session in the green. The other indices of the BVB also climbed modestly higher with the exception of the ROTX, which was dragged down by the EBS. The BET's advance was helped by the good performance of banking shares TLV (+1.3%) and BRD (+0.9%), while both SNP and SNN slipped 0.5%. On the other hand, equities' total turnover fell again to relatively low levels (RON 19 mn), following Friday's pickup (RON 40 mn). Western-European shares went higher on Monday, led by Germany's DAX (+1.3%), which was helped also by the weaker EUR. In the USA, the S&P500 and the Dow Jones registered modest gains, which sent them to new record highs. The movement were also bolstered by soft economic data as well as comments from a Fed official, suggesting interest rate hike may delay.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
14-May	Thursday	March	Market services rendered mainly to enterprises (YoY%)	7.6	7.7
15-May	Friday	March	CA balance (EUR mn, YTD)	406	285
18-May	Monday		no data		
19-May	Tuesday		no data		
20-May	Wednesday		no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		15-May-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.3690	↑ 0.05	↑ 4.59	↑ 9.56		
OTP Obligatiuni	RON	13.9397	↑ 0.01	↑ 1.15	↑ 4.92		
OTP ComodisRO	RON	16.7053	↑ 0.01	↑ 1.23	↑ 4.36		
OTP Euro Bond	EUR	12.1104	↑ 0.00	↑ 0.73	↑ 3.10		
OTP Dollar Bond	USD	10.3838	↑ 0.00	↑ 0.61	↑ 3.14		

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