

Headquarter Treasury Sales

Tania Fantana

+4021 30758 76

tania.fantana@otpbank.ro

Alexandru Tibuleac

+4021 30758 52

alexandru.tibuleac@otpbank.ro

Alina Gheorghita

+4021 30758 25

alina.gheorghita@otpbank.ro

Andreea Nica

+4021 30758 27

andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj

+40755 000 400

szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti

+4021 30758 76

tudor.zaman@otpbank.ro



Daily Report – Romania

Date: 16.06.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,236.53	↓ -0.90	↓ -2.15
BETPlus	1,065.49	↓ -0.86	↓ -1.98
BET-FI	30,156.60	↓ -1.18	↓ -1.11
BET-XT	655.94	↓ -0.90	↓ -1.94
FP	0.8410	↓ -1.06	↓ -1.64
TGN	281.0000	↑ 0.36	↑ 0.18
TLV	2.0890	↓ -0.52	↓ -3.07
EL	11.9000	↓ -0.58	↑ 0.51
SNG	35.8000	↓ -0.47	↓ -2.03

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.30	↑ 0.5	↓ -1.0
12 month	1.45	→ 0.0	↓ -2.0
3 year	2.12	↓ -0.5	→ 0.0
5 year	3.08	↑ 1.0	↑ 2.5
10 year	4.08	↑ 2.0	↑ 7.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	4Y	RON 300 mn	RON 300 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.57	↑ 1.0	↓ -6.0
3M ROBOR	1.23	→ 0.0	↓ -1.0
6M ROBOR	1.48	→ 0.0	↓ -3.0
1Y ROBOR	1.56	↑ 2.0	→ 0.0
5Y CDS	109.68	↑ 0.4	↑ 1.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4791	↓ -0.24	↑ 0.06
USD/RON	3.9820	↑ 0.06	↑ 0.36
CHF/RON	4.2717	↓ -0.27	↑ 0.22
100HUF/RON	1.4374	↓ 0.00	↑ 0.49

Source: Reuters, OTP Research

Summary

- Yesterday, the RON could recuperate some of its previous losses against the EUR, firming to around 4.48.
- The CB is trying to resist and not to reduce further the policy rate despite the expected negative inflation rates, Governor Mugur Isarescu said on Tuesday.
- GSs' fixing rates moved little yesterday, but in a weekly comparison the slope of the yield curve became apparently steeper.
- Romanian shares mostly sank yesterday; the BET shed 0.9%.

Rising fears related to a potential Greek default seemed to have somewhat less impact on the CEE region's currencies yesterday, thus the RON could recuperate a part of its previous losses compared to the EUR, while the PLN and the HUF also firmed slightly. On the other hand, the common European currency lost some ground against the USD. Beyond the uncertainties over Greece, the dollar's strength may be helped also by solid US housing data ahead of today's Fed policy statement and press conference. Investors are looking for indications related to the timing of the first interest rate hike in the USA.

Yesterday Governor Mugur Isarescu said in a conference that despite the expected negative inflation rates the Central Bank was trying to resist and not to reduce further the policy rate, as the economy may advance by 4% this year ([in line with our expectation](#)), so it does not require additional stimulus from lower interest rates. The statement suggests that the base rate cutting cycle may come to an end, however lower mandatory reserve ratios are still on the agenda.

Government securities' yields changed mixed on Tuesday. On weekly basis, the yield curve continued to become steeper, with 3-7 bps increases at the long end, while short-term yields eased by 1-2 bps.

After recording heavy losses on Monday, most of the Western-European and US equity benchmarks ended the day with modest gains yesterday. On the other hand, the BVB indices could not benefit from the slightly improved sentiment and closed 0.6%-1.2% lower. The key index, the BET shed 0.9%, as only the shares of Transgaz could stay in the positive territory (+0.4%). Equities' total turnover stood at RON 29 mn.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
12-Jun	Friday	April	Construction works (YoY%)	10.3	13.0
12-Jun		April	Turnover of market serv. provided to the population (YoY%)	7.0	4.4
15-Jun	Monday	April	Turnover of market serv. rendered mainly to enterp. (YoY%)	9.7	7.8
15-Jun		April	Wholesale services turnover index (YoY%)	2.0	-0.3
15-Jun		April	CA balance (EUR mn, YTD)	-27	406
16-Jun	Tuesday	May	New passenger car registrations (YoY%)	6.4	9.0
17-Jun	Wednesday		no data		
18-Jun	Thursday		no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		15-Jun-15					
Open-end fund	ccy	last NAV/U		1d%		Ytd%	52W%
OTP AvantisRO	RON	8.2948	↓	-0.71	↑	3.67	↑ 5.48
OTP Obligatiuni	RON	13.9719	↑	0.03	↑	1.38	↑ 4.83
OTP ComodisRO	RON	16.7278	↑	0.01	↑	1.36	↑ 4.14
OTP Euro Bond	EUR	12.1329	↑	0.01	↑	0.92	↑ 3.09
OTP Dollar Bond	USD	10.4685	↑	0.01	↑	1.43	↑ 3.77

Chief Economist
Gergely Tardos

+36 1 3747273

tardosg@otpbank.hu
Analyst
Csaba Bálint

+4021 3075896

csaba.balint@otpbank.ro

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