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Daily Report – Romania

Date: 29.06.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,264.70	↓ -0.77	↓ -0.40
BETPlus	1,068.56	↓ -0.78	↓ -0.44
BET-FI	29,578.38	↓ -0.93	↓ -2.26
BET-XT	657.74	↓ -0.79	↓ -0.28
FP	0.7945	↓ -0.87	↓ -0.83
SNG	36.1900	↓ -0.85	↑ 1.09
TLV	2.0840	↓ -0.05	↑ 1.17
TGN	255.5000	↓ -1.16	↓ -9.24
TEL	25.3400	↓ -1.71	↓ -1.74

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.36	↑ 10.5	↑ 6.0
12 month	1.53	↑ 10.0	↑ 8.5
3 year	2.16	↑ 20.0	↑ 7.5
5 year	3.15	↑ 25.5	↑ 9.5
10 year	4.25	↑ 34.5	↑ 16.5

GOV'T BOND AUCTIONS

Thursday	Maturity	Auctions	Sold
	2Y	RON 300 mn	RON 300 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.92	↑ 15.0	↑ 34.0
3M ROBOR	1.33	↑ 5.0	↑ 4.0
6M ROBOR	1.56	↑ 3.0	↓ -1.0
1Y ROBOR	1.65	↑ 3.0	↑ 2.0
5Y CDS	110.66	↓ 0.0	↓ -2.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5016	↑ 0.93	↑ 0.32
USD/RON	4.0064	↑ 0.35	↑ 1.30
CHF/RON	4.3334	↑ 1.17	↑ 0.86
100HUF/RON	1.4257	↓ -0.15	↓ -1.22

Source: Reuters, OTP Research

Summary

- Greek news set the tone of trading on financial markets yesterday.
- The yield curve shifted up 10-35 bps on Monday.
- In June, Romania's ESI indicator increased to 103.8 points, the highest level since October 2008.
- Romania's budget surplus stood at RON 6.3 bn (0.9% of GDP).
- May's unemployment rate increased to 7.1%, up from 6.9% a month earlier.
- All of the BVB indices ended in the red zone yesterday.

Negotiations between Greece and its international creditors failed in the weekend after the country's leaders called for a referendum on 5 July. Following the ECB's decision not to increase the ELA funding to Greek banks, Athens' authorities imposed capital controls. Accordingly, commercial banks and stock markets will remain closed until 6 July. At the same time, cash withdrawals from ATMs are also limited to EUR 60 per day for the country's citizens. Today, according to Greek officials, the country will miss the around EUR 1.6 bn payment to the IMF. The negative news weighed on financial markets yesterday. Risky assets were under selling pressure, setting stock prices to fall. Simultaneously, the RON lost ground compared to the EUR in line with its regional peers, sending the pair as high as 4.50.

The uncertainties were felt on bond markets too, as government securities' yields shifted up 10-35 bps on Monday with higher moves at the long end.

In June, Romania's Economic Sentiment Indicator rose to 103.8 points, the highest value since October 2008, suggesting that the country's economic growth could remain robust in the second quarter of the year. Compared to May, the retail trade confidence indicator recorded the strongest improvement, increasing to 22.6 points, up from 8, which may be a positive consequence of the VAT reduction for food products.

The budget execution showed a 0.9% surplus in the first five months of the year, similarly to April's data. Revenues went up by 10.8% YoY to RON 93.2 bn, while expenses grew only 1.4% to RON 86.8 bn.

NIS's provisional data shows that unemployment rate rose by 0.2% to 7.1% (seasonally adjusted) in May.

Romanian stocks closed in the red yesterday, but the BVB indices' losses (between 0.8% and 1.3%) were relatively moderate in light of the performance of the main Western-European benchmarks, which recorded significant drops.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
26-Jun	Friday	May	New commercial vehicle registrations (YoY%)	18.9	19.7	
29-Jun	Monday	May	Licenses for residential buildings (YoY%)	1.9	-0.5	
29-Jun		June	Economic Sentiment Indicator	103.8	103.2	
29-Jun		June	Consumer Confidence Indicator	-16.2	-17.3	
30-Jun	Tuesday	May	ILO unemployment rate (% , seasonally adjusted)	7.1	6.9	
1-Jul	Wednesday	July	Base rate decision (%)		1.50	1.75
1-Jul		June	FX Reserves, EUR bn			30.2
1-Jul		May	Toursits' overnight stays (YoY%)			14.1

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		26-Jun-15					
Open-end fund	ccy	last NAV/U	1d%	Ytd%	52W%		
OTP AvantisRO	RON	8.3689	↑ 0.65	↑ 4.59	↑ 6.46		
OTP Obligatiuni	RON	13.9853	↑ 0.01	↑ 1.48	↑ 4.49		
OTP ComodisRO	RON	16.7354	↑ 0.01	↑ 1.41	↑ 3.94		
OTP Euro Bond	EUR	12.1587	↓ 0.00	↑ 1.13	↑ 2.91		
OTP Dollar Bond	USD	10.4860	↑ 0.00	↑ 1.60	↑ 3.68		

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