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Daily Report – Romania

Date: 14.07.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,394.63	↑ 0.12	↑ 2.46
BETPlus	1,086.72	↑ 0.13	↑ 2.43
BET-FI	30,332.51	↑ 0.53	↑ 2.39
BET-XT	669.79	↑ 0.14	↑ 2.31
FP	0.8060	↑ 0.75	↑ 3.20
EL	12.3100	↓ -0.73	↓ -1.12
TGN	271.2500	↓ -0.09	↑ 4.37
SNG	33.7500	↑ 0.15	↑ 0.90
BRD	11.0300	↑ 0.18	↑ 0.73

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.29	↓ -0.5	↓ -6.0
12 month	1.46	→ 0.0	↓ -7.0
3 year	2.01	↓ -2.0	↓ -14.0
5 year	2.90	→ 0.0	↓ -22.5
10 year	3.98	↑ 0.0	↓ -26.0

GOV'T BOND AUCTIONS

Thursday	Maturity	Auctions	Sold
	3.4Y	RON 300 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.57	↓ -2.0	↓ -2.0
3M ROBOR	1.29	↓ -1.0	↑ 1.0
6M ROBOR	1.60	↓ -1.0	↑ 1.0
1Y ROBOR	1.69	→ 0.0	↑ 1.0
5Y CDS	113.79	↓ -2.3	↓ -2.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4130	↓ -0.22	↓ -1.58
USD/RON	4.0072	↓ -0.31	↓ -1.57
CHF/RON	4.2417	↑ 0.43	↓ -1.35
100HUF/RON	1.4196	↓ -0.19	↑ 0.36

Source: Reuters, OTP Research

Summary

- The EUR/RON fell to more than two months' low yesterday.
- The Greek parliament must approve a set of austerity measures today.
- Romania's CA deficit stood at EUR 0.3 bn in the first five months of 2015; inward FDI flows were up.
- The BVB indices closed yesterday's trading session with small gains.

On Tuesday, the EUR/RON hit its lowest level for more than two months, ending the day close to 4.41. It was already the fourth consecutive day when the Romanian currency gained ground against the EUR, even if the size of the movement diminished, pointing to a consolidation process. On the other hand, Europe's shared currency remained flat compared to the USD yesterday, while it weakened vs. the CHF. The Swiss franc's strength may be related also to the seemingly easing deflationary pressures in the latest period.

As expected, Greece missed an EUR 450 mn payment to the IMF yesterday given its difficult financial situation, while today the country's parliament should discuss and approve the first set of austerity measures required by international creditors. Despite the conflicts inside the governing Syriza party, the package may get the majority of votes, as pro-European parties of the opposition also pledged support for the bailout programme. Simultaneously, EU leaders are seeking options how the heavily indebted country may get short-term financing via a bridge loan.

In the period of January-May 2015, Romania's current account deficit decreased to EUR 312 mn, down from EUR 424 mn a year earlier. First of all, the shrinking deficit was due to the improving balance of secondary incomes, where the surplus went up by EUR 431 to EUR 1,052 mn. Secondary incomes include transfers of the private sector and the general government as well. As imports' growth is expected to outpace the advances of exports due to robust domestic demand, the current account deficit may widen in the following period. According to the NBR's data, non-residents' direct investments rose to EUR 1.3 bn in the first five months of the year, compared to EUR 1.0 bn in the same period of 2014. Nevertheless, Romania's external debt also eased by EUR 3.5 bn since December 2014.

Romania's main equity indices finished mostly in positive territory with slight gains, while the traded volumes declined to RON 30 mn. Among the individual stocks of the BET, the shares of FP registered the highest gain (+0.8%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
10-Jul	Friday	June	Consumer price index (YoY%)	-1.6	-0.9	1.2
10-Jul		May	Industrial production (YoY%)	-0.5		1.8
10-Jul		May	Exports (FOB, YoY%)	3.2		5.5
10-Jul		May	Imports (CIF, YoY%)	3.2		4.8
13-Jul	Monday	May	Turnover of market serv. rendered mainly to enterp. (YoY%)	5.8		9.9
13-Jul		May	Wholesale turnover index (YoY%)	-0.2		0.3
13-Jul		May	Construction works (YoY%)	4.7		10.4
14-Jul	Tuesday	May	CA balance (EUR mn, YTD)	-312		-27
15-Jul	Wednesday		no data			
16-Jul	Thursday	June	New passenger car registrations (YoY%)			6.4

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		13-Jul-15					
Open-end fund	ccy	last NAV/U		1d%		Ytd%	52W%
OTP AvantisRO	RON	8.5194	↑	1.21	↑	6.47	↑ 9.13
OTP Obligatiuni	RON	13.9969	↑	0.03	↑	1.56	↑ 4.23
OTP ComodisRO	RON	16.7481	↑	0.01	↑	1.49	↑ 3.85
OTP Euro Bond	EUR	12.1623	↑	0.03	↑	1.16	↑ 2.79
OTP Dollar Bond	USD	10.4883	↑	0.01	↑	1.62	↑ 3.59

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