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# Daily Report – Romania

Date: 10.06.2015

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,397.03	↑ 0.02	↓ -1.88
BETPlus	1,087.38	↑ 0.04	↓ -1.87
BET-FI	30,511.82	↑ 0.05	↓ -1.46
BET-XT	668.99	↑ 0.01	↓ -1.71
FP	0.8560	↑ 0.12	↓ -3.11
BRD	10.7400	↓ -0.09	↓ -4.11
TLV	2.4790	↓ -0.84	↓ -0.52
EL	12.0500	↑ 1.77	↑ 2.12
SNG	36.5300	↓ -0.03	↑ 0.44

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.28	↓ -1.0	↑ 2.5
12 month	1.44	↑ 1.0	↑ 5.5
3 year	2.09	↑ 2.5	↑ 17.0
5 year	2.98	↑ 3.0	↑ 25.5
10 year	3.90	↑ 6.5	↑ 37.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	3Y	RON 300 mn	RON 0 mn
Thursday	1Y	RON 400 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.61	↓ -2.0	↓ -8.0
3M ROBOR	1.24	⇒ 0.0	↓ -1.0
6M ROBOR	1.51	⇒ 0.0	↓ -1.0
1Y ROBOR	1.56	⇒ 0.0	⇒ 0.0
5Y CDS	109.25	↑ 0.9	↑ 8.9

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4665	↓ -0.22	↑ 0.95
USD/RON	3.9453	↓ -0.56	↑ 0.46
CHF/RON	4.2326	↓ -0.70	↑ 0.64
100HUF/RON	1.4306	↑ 0.01	↑ 1.09

Source: Reuters, OTP Research

**Summary**

- Romania's inflation rate accelerated to 1.2% YoY in May, in contrast to the market consensus of 0.8% YoY; a month earlier, consumer prices increased by 0.7% YoY.
- The volume index of industrial production remained unchanged in April. As a result, the sector's yearly growth rate eased to 1.8%, down from 4.4% in March.
- In line with its regional peers, the RON could appreciate against the EUR yesterday.
- The GS yield curve became even deeper on Wednesday. The Treasury plans to sell RON 400 mn in 1Y bills today.
- The BVB could not really benefit from the favourable trading sentiment seen across developed equity markets. The majority of the main indices closed flat on low volumes.

May's consumer price developments delivered a notable surprise, as they increased 0.5% MoM, which translates into a 1.2% annual inflation rate in contrast to the market's expectation of 0.8% YoY (according to a Reuters survey). The surprise is primarily due to the faster increase of food prices (0.8% MoM), driven by volatile items like vegetables (+5.1% MoM) and fruits (+6.9%). In addition, non-food prices also increased by 0.3% MoM, first of all due to higher fuel prices (+1.3% MoM). Furthermore, the depreciation of the leu compared to the common European currency led service prices 0.3% higher MoM. On the other hand, core inflation (excluding fuels, regulated and volatile fruit prices) stood at 0.1% MoM.

In April, the volume index of industrial production remained flat on a monthly basis (seasonally and working day adjusted data), as the manufacturing segment fell 2.4% MoM, and the mining and quarrying sector dropped 2.6% MoM too. On the other hand, the electricity-related segment had a positive contribution due to its 5.6% MoM rise. In yearly comparison, industrial production increased by 1.8% (gross data), down from 4.4% in March.

After losing ground on four trading days in a row, the RON could strengthen against the EUR on Wednesday, in line with its regional peers. The EUR/RON pair is traded below 4.47 this morning.

Government securities' yields mostly increased yesterday, making the yield curve even deeper. The Treasury aims to sell RON 400 mn in 1Y bills today.

Despite the benign trading mood in most of the developed markets, the majority of the BVB indices remained practically unchanged yesterday. The individual stocks of the main index moved in different directions, with Transelectrica recording the highest drop, but among others, banking shares also closed in the red yesterday, after their Tuesday's gains. At the other end of the list, Electrica rallied 1.8%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
8-Jun	Monday	April	Net wage growth rate (YoY%)	7.0	7.2	
9-Jun	Tuesday	April	Exports (FOB, YoY%)	5.5	7.2	
9-Jun		April	Imports (CIF, YoY%)	4.7	11.5	
10-Jun	Wednesday	April	Industrial trade turnover index (YoY%)	-0.8	3.0	
10-Jun		April	Index value of new orders in manufacturing (YoY%)	4.1	1.2	
11-Jun	Thursday	May	Consumer price index (YoY%)	1.2	0.8	0.7
11-Jun		April	Industrial production (YoY%)	1.8		4.4
12-Jun	Friday	April	Construction works (YoY%)			13.8
12-Jun		April	Households services turnover index (YoY%)			3.0

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Open-End Funds		9-Jun-15						
Open-end fund	ccy	last NAV/U		1d%		Ytd%		52W%
OTP AvantisRO	RON	8.3753	↓	-0.21	↑	4.67	↑	8.01
OTP Obligatiuni	RON	13.9631	↑	0.01	↑	1.32	↑	4.84
OTP ComodisRO	RON	16.7241	↑	0.01	↑	1.34	↑	4.23
OTP Euro Bond	EUR	12.1216	↑	0.00	↑	0.82	↑	3.04
OTP Dollar Bond	USD	10.3938	↑	0.01	↑	0.70	↑	3.08

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