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Daily Report – Romania

Date: 27.07.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,525.91	↓ -0.15	↓ -1.08
BET-TR	8,573.68	↓ -0.16	↓ -1.09
BET-FI	31,690.51	↓ -0.54	↓ -0.31
BET-XT	684.56	↓ -0.23	↓ -1.03
TLV	2.3610	↑ 0.04	↑ 0.04
BRD	11.1000	↓ -0.72	↓ -3.98
SNP	0.3928	↑ 0.72	↓ -0.05
TGN	271.0000	↓ -0.73	↓ -1.45
SNG	33.7500	↓ -0.38	↓ -2.32

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.24	⇒ 0.0	↓ -2.0
12 month	1.39	↓ -3.0	↓ -6.5
3 year	1.89	↓ -1.0	↓ -9.0
5 year	2.80	⇒ 0.0	↓ -7.0
10 year	3.74	↓ -1.0	↓ -15.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	3.9Y	RON 300 mn	RON 300 mn
Monday	6M	RON 300 mn	RON 300 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.81	↓ -2.0	↑ 29.0
3M ROBOR	1.28	⇒ 0.0	↓ -2.0
6M ROBOR	1.53	↓ -1.0	↓ -2.0
1Y ROBOR	1.63	↓ -1.0	↓ -1.0
5Y CDS	112.01	⇒ 0.0	↓ -0.5

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4155	↓ -0.15	↑ 0.03
USD/RON	3.9803	↓ -1.13	↓ -2.33
CHF/RON	4.1354	↓ -1.14	↓ -2.11
100HUF/RON	1.4229	↑ 0.30	↓ -0.02

Source: Reuters, OTP Research

Summary

- The EUR/RON ended Monday at 4.415.
- Yesterday's Treasury auction saw strong demand.
- The NBR held a repo operation on Monday, injecting RON 1.0 bn into the market.
- The first revision of the public budget plan for 2015 is on the table.
- Yesterday a China-led selloff weigh on equity markets.

Similarly to the PLN and the HUF, the RON slightly firmed against the common European currency, while the USD and the CHF lost ground.

Yesterday's T-bill auction was characterized by healthy demand, after primary dealers subscribed for RON 1.44 bn, pushing up the bid-to-cover ratio to 4.8. Despite the strong demand, the Treasury decided to borrow only the planned amount of RON 300 mn, while the average accepted yield stood at 1.21%. In weekly comparison, the yield curve shifted lower by 2-16 bps.

The NBR injected RON 992 into the market via a repo operation yesterday, which is roughly 210 mn higher than a week earlier.

The revised public budget plan was on the table of the government yesterday. According to the project, the allocated amounts to the Ministry of Transport should be cut by RON 1.0 bn, while the Ministry of Labor, Family, and Social Protection could see the highest increase (RON 1.2 bn). The revised plan is based on a 3.3% GDP growth, up from 2.5%.

The main European equity indices sharply fell yesterday following a China-led selloff. The benchmark stock index of the East Asian country registered its highest daily drop (8.5%) since 2007, while both Germany's DAX and France's CAC40 gave back 2.6%. The negative sentiment was felt in the USA too, accordingly the key indices declined 0.6%-1.0%. Romania's equity benchmarks also ended in the red zone on Monday, however the losses were less significant. The BET inched down only 0.2%, after six out of its ten components closed in the negative territory. The shares of the FP, TNG and BRD were the weakest links, while the SNP could add 0.7%. Equities total turnover reached almost RON 35 mn.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
23-Jul	Thursday	June	M3 (broad money, YoY%)	8.8	7.1
23-Jul			Non-government loans (YoY%)	-0.1	-1.9
23-Jul			Non-government deposits (YoY%)	7.9	6.0
24-Jul	Friday		no data		
27-Jul	Monday		no data		
28-Jul	Tuesday	June	New commercial vehicle registrations (YoY%)		18.9
29-Jul	Wednesday	June	Licenses for residential buildings (YoY%)		1.9

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		24-Jul-15					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.6728	↑ 4.39	↑ 8.39	↑ 10.10		
OTP Obligatiuni	RON	14.0106	↑ 0.19	↑ 1.66	↑ 4.17		
OTP ComodisRO	RON	16.7570	↑ 0.14	↑ 1.54	↑ 3.78		
OTP Euro Bond	EUR	12.1705	↑ 0.10	↑ 1.23	↑ 2.77		
OTP Dollar Bond	USD	10.4914	↑ 0.06	↑ 1.65	↑ 3.55		
OTP Premium Return	RON	1077.0996	↓ -0.41	↑ 4.09	↑ 6.13		

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