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Daily Report – Romania

Date: 30.07.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,606.54	↑ 0.66	↑ 0.99
BET-TR	8,665.96	↑ 0.66	↑ 0.98
BET-FI	31,984.56	↑ 0.36	↑ 0.64
BET-XT	692.25	↑ 0.60	↑ 1.01
TLV	2.3800	↑ 1.06	↑ 0.89
FP	0.8200	↑ 0.55	→ 0.00
BRD	11.5500	↑ 1.32	↑ 4.05
SNN	7.4850	↑ 0.40	↑ 1.35
TEL	27.3900	↑ 0.04	↑ 0.18

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.24	→ 0.0	↓ -2.0
12 month	1.40	↓ -0.5	↓ -5.0
3 year	1.93	↑ 1.5	↑ 0.5
5 year	2.82	↑ 0.5	↓ -3.5
10 year	3.78	↑ 1.0	↓ -6.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6M	RON 300 mn	RON 300 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.00	↑ 1.0	↑ 48.0
3M ROBOR	1.30	→ 0.0	↑ 3.0
6M ROBOR	1.53	↓ -2.0	↑ 1.0
1Y ROBOR	1.64	↓ -1.0	↑ 1.0
5Y CDS	112.03	↑ 0.5	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4039	↓ -0.29	↓ -0.40
USD/RON	4.0268	↑ 0.18	↑ 0.02
CHF/RON	4.1576	↑ 0.11	↓ -0.96
100HUF/RON	1.4268	↓ -0.07	↑ 0.27

Source: Reuters, OTP Research

Summary

- The RON gained ground against the EUR, but weakened compared to the dollar.
- US economy grew at a 2.3% rate in Q2 2015.
- Romania's ESI indicator grew for the fourth consecutive month in July.
- Overall, the MoF aims to sell RON 2.3 bn debt in August.
- The BVB indices registered nice gains yesterday on healthy turnover.

The CEE region's currencies changed mixed yesterday after the PLN lost some ground, while the RON could strengthen compared to the EUR. On the other hand, the USD/RON pair climbed higher, after the dollar continued to appreciate against the common European currency, following the first estimate of US's Q2 growth rate was released. According to the Commerce Department's report, the US economy rose at an annualized 2.3% rate in the second quarter of 2015, slightly slower than it have been expected, but at the same time Q1 growth was revised upward from -0.2% to +0.6%.

The Ministry of Finance plans to borrow RON 2.3 bn trough T-bills and government bonds during August.

Romania's economic sentiment indicator advanced further to 104.7 points in July, the highest value since October 2008 (107.9). The favourable movement was due to the improved industry and services confidence (+1.5 and +1.2). On the other hand, after a spectacular 14.6 points jump in June, presumably caused by the VAT reduction, retail trade confidence fell by 4.2 to 18.4 points in July. However it may be worth noting, that this level can be considered still high, as on average the indicator stood at 17.0 points in 2008 and at 19.3 in 2007. Simultaneously, consumer confidence also remained well above its long-term average value, even if it declined slightly in July. Nevertheless, the quarterly questions of the consumer survey point to an improvement, as more respondents intend to purchase or build a home within the next twelve months, which seems to be consistent with the reviving mortgage lending activity of commercial banks and the increasing number of construction permits for residential buildings. The EU level economic sentiment indicator went up from 105.5 to 106.6 points as well, which may be a good sign for the beginning of Q3 2015.

Similarly to most of its European peers, Romania's key equity indices closed in the positive territory, while the traded volumes went up to RON 42 mn. Banking shares fared well, as the BRD gained 1.3% and the TLV also inched up 1.1%. Among the individual stocks of the BET index, only the BVB closed in the red (-0.3%). European equities were supported by well-received quarterly reports, but some extent Greek news weigh on the market. The International Monetary Fund wouldn't participate in Greece's bailout programme before reforms, IMF official said. On the other side of the Atlantic, US equities ended flat, following choppy trading.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
28-Jul	Tuesday	June	New commercial vehicle registrations (YoY%)	23.5	18.9
29-Jul	Wednesday	June	Licenses for residential buildings (YoY%)	7.6	1.9
30-Jul	Thursday	July	Economic Sentiment Indicator	104.7	103.8
		July	Consumer Confidence Indicator	-17.5	-16.2
31-Jul	Friday	June	ILO unemployment rate (% , seasonally adjusted)		7.1
3-Aug	Monday	June	Tourists' overnight stays (YoY%)		12.3
		July	FX Reserves, EUR bn		30.1

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		29-Jul-15					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.6823	↑ 4.64	↑ 8.51	↑ 10.76		
OTP Obligatiuni	RON	14.0146	↑ 0.20	↑ 1.69	↑ 4.14		
OTP ComodisRO	RON	16.7615	↑ 0.14	↑ 1.57	↑ 3.70		
OTP Euro Bond	EUR	12.1722	↑ 0.11	↑ 1.25	↑ 2.76		
OTP Dollar Bond	USD	10.4929	↑ 0.06	↑ 1.66	↑ 3.53		
OTP Premium Return	RON	1075.2405	↓ -0.57	↑ 3.91	↑ 5.88		

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