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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,603.24	↓ -0.04	↑ 0.88
BET-TR	8,661.72	↓ -0.05	↑ 0.87
BET-FI	32,034.86	↑ 0.16	↑ 0.54
BET-XT	692.44	↑ 0.03	↑ 0.92
FP	0.8150	↓ -0.61	↓ -0.61
TEL	27.3000	↓ -0.33	↑ 1.19
TLV	2.3990	↑ 0.80	↑ 1.65
SNG	34.3500	↓ -0.12	↑ 1.39
BRD	11.4000	↓ -1.30	↑ 1.97

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.24	↓ -0.5	↓ -0.5
12 month	1.41	↑ 1.5	↓ -0.5
3 year	1.94	↑ 1.0	↑ 3.5
5 year	2.82	→ 0.0	↑ 1.5
10 year	3.78	→ 0.0	↑ 2.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	7.7Y	RON 200 mn	
Thursday	2.4Y	RON 300 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.94	↓ -6.0	↑ 11.0
3M ROBOR	1.32	↑ 2.0	↑ 4.0
6M ROBOR	1.55	↑ 2.0	↑ 1.0
1Y ROBOR	1.65	↑ 1.0	↑ 1.0
5Y CDS	112.03	↑ 0.5	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4085	↑ 0.10	↓ -0.31
USD/RON	4.0136	↓ -0.33	↓ -0.30
CHF/RON	4.1520	↓ -0.13	↓ -0.75
100HUF/RON	1.4352	↑ 0.59	↑ 1.16

Source: Reuters, OTP Research

Summary

- June's unemployment rate decreased by 0.1% to 7.0%.
- The euro area's headline inflation stood at 0.2% in July.
- The RON changed little compared to the EUR on Friday, but it appreciated 1.5% on monthly basis.
- The Treasury aims to borrow RON 200 mn today.
- The BET index closed flat on very low volumes (RON 13 mn).

Romania's unemployment rate slightly fell from 7.1% in May to 7.0% in June, while the number of persons looking for a job decreased by almost 3,400 to around 642,000.

The eurozone's annual rate of inflation remained unchanged at 0.2% in July, according to the flash estimate of the Eurostat released on Friday, while excluding energy prices it stood higher at 0.9%. Indeed, some improvements were achieved compared to December and to the first three months of the year, when the headline inflation slipped slightly into the negative territory, but July's 0.2% is still far from the ECB's target of just under 2%, underlining the need for monetary policy support.

After easing on Thursday, the EUR/RON was traded in a narrow range on the last day of July, ending the session marginally higher. On monthly basis, the RON could appreciate around 1.5%, as Greek default fears faded, following tense negotiations between the heavily indebted country and its international creditors. Compared to the USD, the leu slightly gained ground on Friday, after the US Q2 employment cost data was short of expectations, sending back the EUR/USD pair close to 1.10.

Today, the Treasury will hold an auction in order to borrow RON 200 mn via 2.4Y government securities.

European equities mostly rose on Friday, after several companies published their earnings reports for the second quarter of the year. Beyond Q2 company results, investors pay attention to Greek developments as well. In the USA, the main benchmarks registered small losses, as they were dragged down by the energy sector, while the BVB's key indices changed little. The BET's composites moved in different directions with TLV registering the largest gain (+0.8%). On the other hand, the shares of BRD slumped 1.3%.

Today, the NBR releases the level of FX reserves for the end of July, while the NIS publishes the tourists' overnight stays for June.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
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)	7.0	7.1
3-Aug	Monday	June	Tourists' overnight stays (YoY%)		12.3
		July	FX Reserves, EUR bn		30.1
4-Aug	Tuesday	August	Base rate decision (%)	1.75	1.75
		June	Producer Price Index (YoY%)		-2.4
		June	Retail trade (YoY%)		3.1

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		30-Jul-15					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	8.7079	↑	4.66	↑	8.83	↑ 10.67
OTP Obligatiuni	RON	14.0157	↑	0.22	↑	1.70	↑ 4.14
OTP ComodisRO	RON	16.7622	↑	0.15	↑	1.57	↑ 3.70
OTP Euro Bond	EUR	12.1725	↑	0.14	↑	1.25	↑ 2.75
OTP Dollar Bond	USD	10.4929	↑	0.07	↑	1.66	↑ 3.52
OTP Premium Return	RON	1076.1214	↓	-0.29	↑	4.00	↑ 5.94

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