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Daily Report – Romania

Date: 11.08.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,597.41	↓ -0.54	↓ -0.03
BETPlus	1,117.23	↓ -0.49	↑ 0.06
BET-FI	32,561.79	↓ -0.10	↑ 0.81
BET-XT	695.48	↓ -0.39	↑ 0.25
EL	12.7000	→ 0.00	↓ -0.39
SNG	34.4500	↑ 0.29	↑ 0.79
BRD	11.4500	↓ -1.72	↑ 1.33
FP	0.7970	↓ -0.81	↓ -0.99
TEL	27.6100	↑ 0.04	↑ 0.95

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.21	→ 0.0	↓ -1.5
12 month	1.36	→ 0.0	↓ -3.5
3 year	1.89	↓ -2.0	↓ -3.0
5 year	2.80	↓ -0.5	↓ -1.0
10 year	3.78	↓ -1.0	↓ -0.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.8Y	RON 300 mn	RON 249 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.71	↓ -3.0	↓ -13.0
3M ROBOR	1.31	↑ 1.0	→ 0.0
6M ROBOR	1.54	↑ 1.0	↓ -1.0
1Y ROBOR	1.64	↓ -1.0	→ 0.0
5Y CDS	112.00	↓ 0.0	↓ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4128	↑ 0.02	↑ 0.06
USD/RON	3.9973	↓ -0.16	↓ -1.36
CHF/RON	4.0435	↓ -0.66	↓ -2.40
100HUF/RON	1.4159	↓ -0.06	↓ -0.48

Source: Reuters, OTP Research

Summary

- The EUR/RON ended almost flat on Tuesday.
- July's annual inflation stood at -1.7% YoY.
- Romania's industrial production inched up 0.6% MoM in June.
- China's yuan devaluation caused ripples on financial markets yesterday.

The CEE region's currencies moved in different directions against the EUR yesterday. While the RON continued to show little variation, the HUF weakened somewhat. On the other hand, the EUR could appreciate compared to the USD on favourable news over Greece and the EUR/CHF pair also climbed significantly higher.

Romania's annual inflation rate came in lower than expected (-1.7% vs. the market consensus of -1.4%), after foods' prices continued to fall (-7.3% YoY and -1.2% MoM) in July, first of all due to the seasonal pattern of vegetables (-10.3%), while to some extent a second-round impact of the VAT reduction weighed on prices as well. Despite the decline recorded at fuels (-0.6% MoM) and medicines (-3.5% MoM), non-food goods became more expensive (0.5% MoM and 1.3% YoY), after the 11.2% MoM hike in the price of natural gas. Services' prices went up slightly in monthly comparison (0.1%) due to the increases (1.0% MoM) at the group of water, sewerage and sanitation, while the stronger RON led telecommunication prices lower. Compared to July 2014, services' prices were up by 2.2%.

In June, the volume index of the industrial production increased by 0.6% MoM (seasonally and working day adjusted data) and 3.1% YoY (gross data), according to the NIS. On QoQ basis, industrial production advanced by 0.2% in the second quarter of 2015.

Facing slower growth, the world's second largest economy decided to devalue its currency, the yuan, resulting in a sell-off on global equity markets. Thus, the BVB indices also declined with the BET, falling 0.5%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
10-Aug	Monday	June	Turnover of market serv. provided to the population (YoY%)	4.9		7.8
		June	Trade, maint. and repair of motor veh. and motorcycles (YoY%)	9.9		11.7
	June	Exports (FOB, YoY%)	12.4		3.2	
		Imports (CIF, YoY%)	14.4		3.2	
11-Aug	Tuesday	July	Consumer price index (YoY%)	-1.7	-1.4	-1.6
		June	Industrial production (YoY%)	3.1		-0.5
12-Aug	Wednesday	June	Turnover of market serv. rendered mainly to enterp. (YoY%)			5.8
		June	Wholesale turnover index (YoY%)			-0.2
		June	Construction works (YoY%)			4.7

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		10-Aug-15					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	8.8023	↑	4.57	↑	10.01	↑ 12.36
OTP Obligatiuni	RON	14.0252	↑	0.23	↑	1.77	↑ 4.12
OTP ComodisRO	RON	16.7709	↑	0.15	↑	1.63	↑ 3.67
OTP Euro Bond	EUR	12.1764	↑	0.15	↑	1.28	↑ 2.74
OTP Dollar Bond	USD	10.4958	↑	0.08	↑	1.69	↑ 3.50
OTP Premium Return	RON	1081.2010	↑	0.45	↑	4.49	↑ 6.64

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