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Daily Report – Romania

Date: 12.08.2015

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|---------|-----------|----------------|-----------------|
| BET | 7,477.54 | ↓ -1.58 | ↓ -1.55 |
| BETPlus | 1,100.19 | ↓ -1.53 | ↓ -1.44 |
| BET-FI | 32,047.89 | ↓ -1.58 | ↓ -1.45 |
| BET-XT | 684.69 | ↓ -1.55 | ↓ -1.35 |
| FP | 0.7825 | ↓ -1.82 | ↓ -3.40 |
| TLV | 2.3660 | ↓ -3.43 | ↓ -4.33 |
| SNG | 34.2800 | ↓ -0.49 | ↑ 0.23 |
| EL | 12.5000 | ↓ -1.57 | ↓ -1.96 |
| BRD | 11.2000 | ↓ -2.18 | ↓ -1.23 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 1.21 | ↓ -0.5 | ↓ -1.5 |
| 12 month | 1.36 | ↑ 0.5 | ↓ -1.5 |
| 3 year | 1.87 | ↓ -1.5 | ↓ -5.5 |
| 5 year | 2.78 | ↓ -2.0 | ↓ -2.5 |
| 10 year | 3.73 | ↓ -5.5 | ↓ -5.5 |

GOV'T BOND AUCTIONS

| | Maturity | Auctions | Sold |
|----------|----------|------------|------------|
| Monday | 5.8Y | RON 300 mn | RON 249 mn |
| Thursday | 6M | RON 300 mn | |

MONEY MARKET

| | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 0.71 | → 0.0 | ↓ -11.0 |
| 3M ROBOR | 1.32 | ↑ 1.0 | ↑ 1.0 |
| 6M ROBOR | 1.54 | → 0.0 | → 0.0 |
| 1Y ROBOR | 1.63 | ↓ -1.0 | ↓ -1.0 |
| 5Y CDS | 112.01 | ↑ 0.0 | ↓ 0.0 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4.4110 | ↓ -0.04 | ↑ 0.06 |
| USD/RON | 3.9515 | ↓ -1.14 | ↓ -2.24 |
| CHF/RON | 4.0528 | ↑ 0.23 | ↓ -1.86 |
| 100HUF/RON | 1.4172 | ↑ 0.09 | ↓ -0.48 |

Source: Reuters, OTP Research

Summary

- The USD weakened on Chinese news, while the EUR/RON changed little yesterday.
- In June, construction works were up by 13.0% (YoY) and 3.5% (MoM).
- The turnover indices of wholesale trades and market services rendered to enterprises increased in June.
- Concerns related to China's economy led to sharp falls on European stock markets; Romania's BET index also dropped 1.6%.

News over China led again to high volatility on global financial markets yesterday. The USD lost ground compared to the EUR, as the yuan's devaluation may cause the Fed to delay the first interest rate hike. In line with the EUR's strength, the CEE region's currencies also appreciated against the US dollar. At the same time, the EUR/RON pair marginally eased on below-average turnover.

After the sharp declines in April and May, construction works advanced by 3.5% MoM (seasonally and working day adjusted data) in June, while they increased by 13.0% (gross data) compared to the same month of the previous year. By construction objects, the good performance was due to the rise at non-residential buildings (+6.3% MoM) and to the much awaited improvement in the case of engineering works (+4.0% MoM), but the segment of residential buildings slipped deeply into the negative territory (-26.2% MoM). On the other hand, this latest drop of the residential segment could be only transitory, after favourable signs appeared related to the real estate market. Among others, mortgage-based lending is reviving, and the offer prices of residential buildings seem to have changed their direction too. Analyzing the data by its structure elements, the segment of new constructions drove the recent increase, as they inched up 6.0% (MoM) in June, while both capital repairs and maintenance activities declined by 6.5% and 6.0% respectively. In QoQ terms, construction works dropped 1.9%, suggesting a negative contribution to the GDP growth in the second quarter of 2015.

In nominal terms, the turnover index of wholesale trades climbed 2.5% (MoM) higher in June, while it advanced 8.3% on yearly basis. Simultaneously, the turnover of market services rendered mainly to enterprises increased by 1.0% (MoM) and 9.1% (YoY).

In line with its Western European peers, the BVB sharply fell yesterday on relatively high volumes (RON 51 mn).

| Date | PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS | |
|--------|-----------|-----------|--|-----------|----------|------|
| 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%) | 9.1 | | 6.4 |
| | | June | Wholesale turnover index (YoY%) | 8.3 | | 0.6 |
| | | June | Construction works (YoY%) | 13.0 | | 2.2 |
| 13-Aug | Thursday | June | CA balance (EUR mn, YTD) | | | -312 |
| 14-Aug | Friday | Q2 2015 | Flash GDP growth rate (YoY%) | | | 4.3 |

Source: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds | | 11-Aug-15 | | | | | |
|---------------------------|-----|------------|--------|--------|---------|--|--|
| Investment funds | ccy | last NAV/U | 1m% | Ytd% | 52W% | | |
| OTP AvantisRO | RON | 8.7922 | ↑ 4.45 | ↑ 9.88 | ↑ 11.75 | | |
| OTP Obligatiuni | RON | 14.0258 | ↑ 0.23 | ↑ 1.77 | ↑ 4.09 | | |
| OTP ComodisRO | RON | 16.7717 | ↑ 0.16 | ↑ 1.63 | ↑ 3.64 | | |
| OTP Euro Bond | EUR | 12.1767 | ↑ 0.15 | ↑ 1.28 | ↑ 2.72 | | |
| OTP Dollar Bond | USD | 10.4963 | ↑ 0.08 | ↑ 1.70 | ↑ 3.49 | | |
| OTP Premium Return | RON | 1079.0245 | ↑ 0.25 | ↑ 4.28 | ↑ 6.36 | | |

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