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# Daily Report – Romania

Date: 13.08.2015

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,506.67	↑ 0.39	↓ -1.13
BETPlus	1,104.61	↑ 0.40	↓ -1.02
BET-FI	32,300.18	↑ 0.79	↓ -1.10
BET-XT	687.81	↑ 0.46	↓ -0.97
BRD	11.3000	↑ 0.89	↓ -3.42
TLV	2.3800	↑ 0.59	↓ -2.46
FP	0.7870	↑ 0.58	↓ -3.20
SNG	34.2100	↓ -0.20	↓ -0.41
TGN	283.0000	↑ 1.73	↑ 4.20

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.17	↓ -3.5	↓ -3.5
12 month	1.31	↓ -5.0	↓ -4.5
3 year	1.85	↓ -2.0	↓ -7.0
5 year	2.74	↓ -3.5	↓ -6.5
10 year	3.68	↓ -4.5	↓ -11.0

**GOV'T BOND AUCTIONS**

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

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.74	↑ 3.0	→ 0.0
3M ROBOR	1.33	↑ 1.0	↑ 3.0
6M ROBOR	1.54	→ 0.0	↑ 2.0
1Y ROBOR	1.63	→ 0.0	↓ -2.0
5Y CDS	112.03	↑ 0.0	↑ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4105	↓ -0.01	↓ -0.04
USD/RON	3.9571	↑ 0.14	↓ -1.99
CHF/RON	4.0486	↓ -0.10	↓ -1.69
100HUF/RON	1.4234	↑ 0.44	↑ 0.41

Source: Reuters, OTP Research

**Summary**

- The EUR/RON remained flat on Thursday.
- Healthy demand characterized yesterday's T-bill auction.
- Romania's CA deficit stood below EUR 0.3 bn in H1 2015.
- The NIS releases its first Q2 GDP estimate today.
- Romanian stocks climbed higher yesterday.

The EUR/RON was traded in a tight range, ending yesterday's session flat. In the meantime, Poland's PLN and Hungary's HUF gained ground against the EUR.

The Ministry of Finance successfully sold the planned RON 300 mn debt amid healthy demand, as commercial banks subscribed for nearly RON 1.5 bn. The average accepted yield stood at 1.08%.

Romania's current account balance recorded a deficit of EUR 285 mn in the first half of the year, significantly lower than in the same period of 2014 (EUR 863 mn). The balance of goods deteriorated by around EUR 0.29 bn, pointing to a EUR 2.8 bn deficit, but this drawback was more than offset by the improvement of the secondary incomes, which include transfer payments of EU funds and remittances, as their surplus increased from EUR 0.74 bn to EUR 1.34 bn. At the same time, the balance of primary incomes registered a EUR 0.20 bn lower deficit, while at services, the surplus advanced to EUR 2.94, up from EUR 2.87 bn a year earlier. Nonetheless, FDI inflows reached EUR 1.66 bn in the first six months of the year, representing equity in value of EUR 0.94 bn and intercompany lending of EUR 0.72 bn. Yesterday's statistics of the NBR also revealed that Romania's external debt eased by roughly EUR 3.5 bn compared to December 2014, totalling EUR 90.8 bn.

Today, the National Institute of Statistics publishes its first, so-called 'flash' GDP estimate for the second quarter of 2015. After the surprisingly strong data in Q1 (4.3% YoY and 1.5% QoQ), the market expects 4.1% YoY advance in Q2, according to the most recent Reuters survey. In the light of the favourable evolution of the high-frequency indicators in June, a stronger-than-expected expansion of the economy would not be a surprise.

Following sharp losses on Wednesday, Romania's key equity indices closed higher on below-average turnover (RON 25 mn) yesterday. The TGN was the winner of the day, rallying more than 1.7%, while the shares of BVB dropped the most (-0.7%). European stocks mostly advanced, as Chinese concerns faded yesterday. In the USA, the main benchmarks ended the day mixed.

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)	-285		-312
14-Aug	Friday	Q2 2015	Flash GDP growth rate (YoY%)		4.1	4.3
17-Aug	Monday		no data			

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		12-Aug-15					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	8.6851	↑	3.18	↑	8.54	↑ 10.22
OTP Obligatiuni	RON	14.0269	↑	0.24	↑	1.78	↑ 4.09
OTP ComodisRO	RON	16.7728	↑	0.16	↑	1.64	↑ 3.64
OTP Euro Bond	EUR	12.1769	↑	0.15	↑	1.28	↑ 2.72
OTP Dollar Bond	USD	10.4969	↑	0.09	↑	1.70	↑ 3.49
OTP Premium Return	RON	1072.4501	↓	-0.36	↑	3.64	↑ 5.64

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