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# Daily Report – Romania

Date: 02.09.2015

**STOCK EXCHANGE**

|         | Close     | Daily chg. (%) | Weekly chg. (%) |
|---------|-----------|----------------|-----------------|
| BET     | 7,009.14  | ↑ 0.61         | ↑ 0.18          |
| BETPlus | 1,032.48  | ↑ 0.52         | ↑ 0.11          |
| BET-FI  | 30,194.61 | ↑ 0.39         | ↓ -0.39         |
| BET-XT  | 640.96    | ↑ 0.64         | ↓ -0.06         |
| SNG     | 30.6000   | ↓ -0.33        | ↓ -0.68         |
| TLV     | 2.2500    | ↑ 3.35         | ↑ 2.27          |
| EL      | 12.6700   | ↑ 0.16         | ↓ -0.63         |
| BRD     | 10.5000   | ↑ 2.04         | ↑ 1.94          |
| FP      | 0.7705    | ↓ -0.39        | ↑ 2.26          |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 1.29      | ↑ 1.0           | ↑ 15.0           |
| 12 month | 1.44      | → 0.0           | ↑ 9.5            |
| 3 year   | 1.95      | ↑ 3.5           | ↑ 11.0           |
| 5 year   | 2.78      | ↑ 2.5           | ↑ 7.5            |
| 10 year  | 3.77      | ↑ 1.5           | ↑ 7.5            |

**GOV'T BOND AUCTIONS**

|          | Maturity | Auctions   | Sold |
|----------|----------|------------|------|
| Thursday | 2.4Y     | RON 400 mn |      |
| Monday   | 1.8Y     | RON 500 mn |      |

**MONEY MARKET**

|          | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 1.68     | ↓ -10.0        | ↑ 32.0          |
| 3M ROBOR | 1.51     | → 0.0          | ↑ 12.0          |
| 6M ROBOR | 1.67     | ↓ -2.0         | ↑ 9.0           |
| 1Y ROBOR | 1.75     | → 0.0          | ↑ 7.0           |
| 5Y CDS   | 117.61   | ↓ 0.0          | ↓ 0.0           |

**FX MARKET**

|            | Rate   | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON    | 4.4368 | ↓ -0.06        | ↓ -0.13         |
| USD/RON    | 3.9518 | ↑ 0.74         | ↑ 0.62          |
| CHF/RON    | 4.0775 | ↓ -0.35        | ↓ -0.87         |
| 100HUF/RON | 1.4152 | ↑ 0.27         | ↑ 0.69          |

Source: Reuters, OTP Research

**Summary**

- Romania's banking system recorded a profit of RON 1.2 bn in H1 2015.
- The RON slightly gained ground compared to the EUR.
- The Treasury plans to sell RON 400 mn debt today.
- Producer prices fell 2.0% YoY and 0.2% MoM in July, the NIS said yesterday.
- The BVB indices mostly ended higher on Wednesday.

The Romanian banking system ended the first half of 2015 with a RON 1.2 bn gain, after registering a record loss of RON 4.3 bn in the year of 2014. The sector's ROE indicator improved to 6.4%, as the pressure of risk costs started to ease. In addition, banks' lending activity showed some positive developments too, at least in the case of RON credits, while the system level NPL ratio continued to decrease, registering around 13% at the end of June 2015, as it was helped by the banks' portfolio cleaning process and by a more favourable macroeconomic environment too. At the same time, the system's capital adequacy ratio remained above 18% as of June 2015.

After a weak start at the beginning of the day, the RON could close slightly stronger compared to the EUR yesterday, while the other currencies of the CEE region also firmed against the euro.

The Treasury aims to borrow RON 400 mn in 2.4 years bonds today.

In July, producer prices decreased by 2.0% compared to the corresponding month of the previous year, after falling 1.9% in June. The higher drop was primarily due to the non-domestic market, where prices slipped 2.9% (YoY), while in the case of the domestic market, the index declined by 1.5% (YoY). By CANE sections, the segment of coke and refined petroleum products showed the highest fall (21.3% YoY).

Today, the National Institute of Statistics publishes retail trade data for July.

Investors' trading sentiment turned positive yesterday, thus the main global equity indices closed in the green zone. The DAX added 0.3% similarly to France's CAC index, while the S&P500 rallied 1.8%. In Bucharest, mostly banking shares helped the BET to end 0.6% higher. The shares of Banca Transilvania registered the best performance, surging 3.4% on RON 5.3 mn turnover.

Following the ECB's monetary policy meeting, President Mario Draghi holds a press conference today.

| Date   | PERIOD    | INDICATOR | FACT  | CONSENSUS | PREVIOUS |
|--------|-----------|-----------|---|-----------|----------|
| 31-Aug | Monday    | no data   |   |           |          |
| 1-Sep  | Tuesday   | July      | ILO unemployment rate (% , seasonally adjusted) | 6.8       | 6.8      |
|        |           | July      | Tourists' overnight stays (YoY%)                | 20.8      | 15.3     |
|        |           | August    | FX Reserves, EUR bn                             | 29.3      | 29.2     |
| 2-Sep  | Wednesday | July      | Producer Price Index (YoY%)                     | -2.0      | -1.9     |
| 3-Sep  | Thursday  | July      | Retail trade (YoY%)                             |           | 7.9      |

Source: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds |     | 1-Sep-15   |         |   |      |      |      |
|---------------------------|-----|------------|---------|---|------|------|------|
| Investment funds          | ccy | last NAV/U | 1m%     |   | Ytd% | 52W% |      |
| OTP AvantisRO             | RON | 8.2838     | ↓ -4.90 | ↑ | 3.53 | ↑    | 3.54 |
| OTP Obligatiuni           | RON | 14.0932    | ↑ 0.55  | ↑ | 2.26 | ↑    | 4.39 |
| OTP ComodisRO             | RON | 16.7874    | ↑ 0.15  | ↑ | 1.73 | ↑    | 3.56 |
| OTP Euro Bond             | EUR | 12.3295    | ↑ 1.28  | ↑ | 2.55 | ↑    | 3.85 |
| OTP Dollar Bond           | USD | 10.5146    | ↑ 0.21  | ↑ | 1.87 | ↑    | 3.53 |
| OTP Premium Return        | RON | 1054.0893  | ↓ -2.19 | ↑ | 1.87 | ↑    | 3.16 |

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