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Daily Report – Romania

Date: 07.09.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,062.42	↓ -0.22	↑ 0.92
BET-TR	8,047.16	↓ -0.22	↑ 0.84
BET-FI	29,873.96	↓ -0.30	↓ -1.08
BET-XT	644.49	↓ -0.18	↑ 0.65
SNG	30.9000	↓ -0.32	↓ -1.28
BRD	10.7600	↑ 1.32	↑ 5.08
TGN	260.0000	→ 0.00	↓ -2.44
TLV	2.2700	↓ -0.83	↑ 5.09
TEL	26.6000	↑ 0.19	↑ 1.92

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.29	↑ 1.0	↑ 5.0
12 month	1.42	↓ -1.5	↓ -0.5
3 year	1.93	↓ -1.0	↑ 2.5
5 year	2.69	↓ -5.5	↓ -6.5
10 year	3.73	↓ -2.0	↓ -1.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	1.8Y	RON 500 mn	RON 500 mn
Thursday	4.6Y	RON 500 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.99	↓ -11.0	↓ -80.0
3M ROBOR	1.43	↓ -1.0	↓ -7.0
6M ROBOR	1.64	↓ -1.0	↓ -3.0
1Y ROBOR	1.74	↓ -1.0	↑ 1.0
5Y CDS	117.18	↑ 0.9	↓ -0.4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4289	↑ 0.03	↓ -0.08
USD/RON	3.9656	↓ -0.16	↑ 0.35
CHF/RON	4.0682	↓ -0.42	↓ -0.37
100HUF/RON	1.4090	↓ -0.12	↓ -0.30

Source: Reuters, OTP Research

Summary

- Net wages continued to increase nicely in July (+7.6% YoY).
- The MoF sold the planned amount of RON 500 mn debt amid healthy demand on Monday.
- Money market rates eased yesterday.
- Bucharest's BET index slightly fell yesterday.

Average net wages grew by 7.6% YoY to RON 1,850 in July, after June's 7.8% year/year advance. By the main NACE groups, the highest increases (+15.1% YoY) were registered in the IT&C sector, which corresponds with the remarkable positive evolution of the sector's performance. The favourable wage statistics could be helped also by the recent rise of minimum wages too. Nonetheless, the uptrend of households' income should support further consumption growth in the following period.

After a week characterized by high volatility, Monday's trading was mostly calm, as markets were closed for Labor Day in the USA. Thus the CEE region's currencies showed little variation, with the EUR/RON climbing marginally higher.

Primary dealers expressed strong interest at yesterday's 1.8Y bond auction, submitting offers in value of RON 1.9 bn, which set the bid-to-cover ratio to 3.9, while the average accepted yield stood at only 1.76%. The next government security auction is planned for Thursday.

Yesterday, interbank money market rates continued their downtrend, slipping up to 11 bps compared to Friday. According to the NBR's latest monthly bulletin, commercial banks held RON 1.7 bn excess liquidity on average at the deposit standing facility of the central bank during August, down from RON 6.0 bn a month earlier. This, together with the evolution of repo operations, may explain August's transitory pick-up of the interbank interest rates.

In Europe, the key indices gained more than 0.5% yesterday. On the other hand, the BVB's benchmarks slightly dropped on low trading volumes (RON 11 mn).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
3-Sep	Thursday	July	Retail trade (YoY%)	9.6	8.2
4-Sep	Friday	Q2 2015	Detailed GDP growth rate (YoY%, provisional data 1)	3.3	3.2
7-Sep	Monday	July	Net wage growth rate (YoY%)	7.6	7.8
8-Sep	Tuesday	July	Industrial trade turnover index (YoY%)		6.5
		July	Index value of new orders in manufacturing (YoY%)		5.5
9-Sep	Wednesday	July	Exports (FOB, YoY%)		12.4
		July	Imports (CIF, YoY%)		14.4

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		4-Sep-15					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.3262	↓ -4.64	↑	4.06	↑	3.24
OTP Obligatiuni	RON	14.1001	↑ 0.58	↑	2.31	↑	4.42
OTP ComodisRO	RON	16.7895	↑ 0.14	↑	1.74	↑	3.56
OTP Euro Bond	EUR	12.3273	↑ 1.25	↑	2.54	↑	3.82
OTP Dollar Bond	USD	10.5173	↑ 0.22	↑	1.90	↑	3.43
OTP Premium Return	RON	1054.7681	↓ -2.07	↑	1.93	↑	3.10

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