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# Daily Report – Romania

Date: 09.10.2015

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,163.60	↓ -0.51	↑ 1.13
BET-TR	8,161.47	↓ -0.51	↑ 1.11
BET-FI	30,538.73	↓ -0.25	↑ 1.02
BET-XT	652.93	↓ -0.45	↑ 0.92
FP	0.7990	↓ -0.68	↑ 3.70
SNG	31.0000	↑ 0.03	→ 0.00
BRD	11.0000	→ 0.00	↑ 3.29
TLV	2.3500	↓ -0.42	↑ 2.62
EL	12.2000	↓ -2.09	↓ -3.79

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.29	→ 0.0	↓ -0.5
12 month	1.41	→ 0.0	↓ -3.0
3 year	1.89	↓ -2.5	↓ -10.5
5 year	2.65	↓ -2.5	↓ -12.5
10 year	3.72	↓ -2.0	↓ -6.0

**GOV'T BOND AUCTIONS**

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

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.09	↓ -1.0	↓ -22.0
3M ROBOR	1.45	→ 0.0	↓ -3.0
6M ROBOR	1.64	→ 0.0	↓ -2.0
1Y ROBOR	1.74	↑ 2.0	↑ 1.0
5Y CDS	113.16	↓ -4.5	↓ -4.5

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4205	↑ 0.05	↓ -0.03
USD/RON	3.9109	↓ -0.84	↓ -1.63
CHF/RON	4.0186	↓ -0.67	↓ -1.61
100HUF/RON	1.3994	↓ -0.22	↓ -1.03

Source: Reuters, OTP Research

**Summary**

- August's inflation rate dropped to -1.9% YoY, from -1.7% a month earlier, primarily due to transitory effects.
- The EUR/RON ended yesterday's session flat.
- The Treasury borrowed the planned amount of RON 500 mn via 4.6Y bonds on Thursday.
- Growth of market services provided to the population accelerated to 10.6% YoY in July.
- All of the BVB indices closed in the red yesterday.

The annual inflation caused a newer surprise, falling to -1.9% YoY in August, down from -1.7% YoY in the previous month, while the market consensus stood at -1.4%, according to a Reuters survey. The inflation rate dropped into the negative territory, after food's VAT reduction was put into force in June. Looking at the main segments, we see food prices fall by 7.2% YoY in August, while non-food prices increased by only 0.8% YoY. On the other hand, services' prices inched up 2.0% YoY. In month-on-month comparison, the CPI index sank 0.5%, as it was dragged down by seasonal effects in the case of fresh fruits (-12.1% MoM) and vegetables (-5.6% MoM). In addition, sharply declining crude oil quotations set fuel prices to fall (-2.9% MoM). The adjusted CORE2 inflation, the measure which is followed closely by the NBR too and excludes among others the impact of volatile food and fuel prices, remained almost flat on MoM basis.

The RON ended flat versus the EUR yesterday and seems to show more strength this morning.

The planned amount of RON 500 mn was sold at Thursday's bond auction, while the average yield stood at 2.63%, slightly lower than at a similar operation in August (2.68%). Commercial banks subscribed for more than RON 1.2 bn.

The turnover index of market services provided to the population surged by 5.0% MoM (seasonally and working day adjusted data) in July, pushing its annual gain to 10.6% (gross data).

Today, the volume indices of industry and construction works are released for July.

The BVB closed in the red zone yesterday, following its European peers. The BET lost 0.5%, driven by the shares of Electrica (-2.1%). At the same time, equities' total turnover amounted RON 21.3 mn. In the USA, the key stock indices ended the day with modest gains.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
7-Sep	Monday	July	Net wage growth rate (YoY%)	7.6	7.8
8-Sep	Tuesday	July	Industrial trade turnover index (YoY%)	6.4	7.0
		July	Index value of new orders in manufacturing (YoY%)	13.3	5.9
9-Sep	Wednesday	July	Exports (FOB, YoY%)	5.6	12.4
		July	Imports (CIF, YoY%)	7.3	14.4
10-Sep	Thursday	August	Consumer price index (YoY%)	-1.9	-1.4
		July	Turnover of market serv. provided to the population (YoY%)	10.6	5.9
11-Sep	Friday	July	Industrial production (YoY%)		3.1
		July	Construction works (YoY%)		13.0

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		9-Sep-15					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.4279	↓ -3.94	↑	5.33	↑	4.78
OTP Obligatiuni	RON	14.1086	↑ 0.61	↑	2.37	↑	4.44
OTP ComodisRO	RON	16.7930	↑ 0.15	↑	1.76	↑	3.55
OTP Euro Bond	EUR	12.3335	↑ 1.30	↑	2.59	↑	3.84
OTP Dollar Bond	USD	10.5243	↑ 0.28	↑	1.97	↑	3.47
OTP Premium Return	RON	1058.6511	↓ -1.96	↑	2.31	↑	3.58

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