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Daily Report – Romania

Date: 14.09.2015

STOCK EXCHANGE					
	Close	Daily chg. (%)	Weekly chg. (%)		
BET	7,156.55	↑ 0.51	↑ 1.33		
BET-TR	8,152.70	↑ 0.49	↑ 1.31		
BET-FI	30,364.48	↓ -0.35	↑ 1.64		
BET-XT	651.35	↑ 0.26	↑ 1.06		
BRD	11.0000	↓ -0.09	↑ 2.23		
FP	0.7985	↑ 0.31	↑ 4.65		
TLV	2.3360	↑ 0.86	↑ 2.91		
EL	12.1000	↓ -0.41	↓ -4.80		
TGN	260.0000	→ 0.00	→ 0.00		

GOV'T BOND MARKET					
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)		
6 month	1.29	↑ 0.5	→ 0.0		
12 month	1.40	→ 0.0	↓ -2.0		
3 year	1.88	→ 0.0	↓ -4.5		
5 year	2.61	↓ -1.0	↓ -8.5		
10 year	3.71	↑ 0.5	↓ -2.5		

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	5.7Y	RON 200 mn	RON 200 mn
Thursday	1Y	RON 700 mn	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	0.95	↓ -13.0	↓ -4.0	
3M ROBOR	1.47	↑ 2.0	↑ 4.0	
6M ROBOR	1.64	↓ -4.0	→ 0.0	
1Y ROBOR	1.72	↓ -4.0	↓ -2.0	
5Y CDS	113.15	↓ 0.0	↓ -4.0	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.4175	↓ -0.06	↓ -0.26	
USD/RON	3.9031	↑ 0.17	↓ -1.58	
CHF/RON	4.0298	↑ 0.19	↓ -0.95	
100HUF/RON	1.4081	↓ -0.09	↓ -0.06	

Source: Reuters, OTP Research

Summary

- The EUR/RON was traded in a tight range yesterday.
- The planned amount of RON 200 mn was successfully sold at yesterday's bond auction.
- In the period of January-July, Romania's CA registered a deficit of EUR 0.35 bn, down from EUR 1.0 bn a year earlier.
- The turnover indices of wholesales and market services rendered mainly to enterprises increased by 5.9% (YoY) and 8.5% (YoY) respectively.
- The BET gained 0.5% on Monday.

The CEE region's currencies showed little variation yesterday, while the RON was also traded in a tight range against the EUR on low volumes.

The Treasury successfully sold the planned amount of RON 200 mn in 5.7Y bonds on 3.04% average yield, while the bid-to-cover ratio reached 2.1, after nine primary dealers subscribed for RON 428 mn.

In the first seven months of the year, Romania's current account deficit stood at EUR 347 mn, significantly lower than in the same period of the previous year (almost EUR 1.0 bn). The positive developments were due primarily to the improvements in the balance of primary incomes (EUR -1.7 bn vs. EUR -2.3 bn) and secondary incomes (EUR +1.2 bn compared to previous year's EUR +1 bn). On the other hand, the surplus of goods and services decreased from EUR 0.3 bn to EUR 0.1 bn, as imports' growth outpaced that of exports, after domestic demand showed an increasing trend.

Excluding the trade with motor vehicles and motorcycles, July's wholesale turnover advanced by 2.2% MoM (seasonally and working day adjusted data) and 5.9% YoY (gross data). The annual gain was led by the strong performance in the trade of agriculture raw materials and live animals (+17.1% YoY). Partially, it might be helped by the recent VAT reduction in the case of food products too, but the wholesale of information and communication equipment also advanced convincingly on yearly basis (+16.3%).

In July, the turnover index of market services rendered mainly to enterprises remained roughly unchanged (+0.2%, SWDA data) compared to the previous month and increased by 8.5% (gross data) in annual terms, which is somewhat slower than in June (9.7% YoY). The highest growth rate was registered by the IT related services (22.0% YoY), followed by transportation (10.6% YoY).

With the exception of the BET-FI, the BVB indices ended yesterday's trading higher; the BET could advance by 0.5% with the shares of OMW Petrom gaining 2.0%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
11-Sep	Friday	July	Industrial production (YoY%)	3.8	3.1
		July	Construction works (YoY%)	15.4	13.4
14-Sep	Monday	July	Turnover of market serv. rendered mainly to enterp. (YoY%)	8.5	9.7
		July	Wholesale turnover index (YoY%)	5.9	8.5
		July	CA balance (EUR mn, YTD)	-347	-285
15-Sep	Tuesday	August	New passenger car registrations (YoY%)		n.a.
16-Sep	Wednesday		no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		11-Sep-15					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.3611	↓ -4.90	↑	4.49	↑	4.32
OTP Obligatiuni	RON	14.1133	↑ 0.62	↑	2.41	↑	4.43
OTP ComodisRO	RON	16.7946	↑ 0.14	↑	1.77	↑	3.49
OTP Euro Bond	EUR	12.3341	↑ 1.29	↑	2.59	↑	3.68
OTP Dollar Bond	USD	10.5203	↑ 0.23	↑	1.93	↑	3.42
OTP Premium Return	RON	1055.4108	↓ -2.19	↑	1.99	↑	3.31

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