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Daily Report – Romania

Date: 05.10.2015

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	7,054.21	↑ 0.05	↓	-0.07
BET-TR	8,034.87	↑ 0.05	↓	-0.07
BET-FI	30,489.35	↓ -0.07	↓	-0.50
BET-XT	645.13	↑ 0.04	↓	-0.11
TLV	2.3600	↓ -1.26	↑	1.29
FP	0.7890	↑ 0.51	→	0.00
SNG	30.3500	↑ 0.33	↓	-0.16
TGN	260.0000	↓ -0.76	↓	-0.38
SIF5	1.7380	↓ -0.80	↓	-1.03

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	1.27	↑ 0.5	↓	-1.0
12 month	1.38	↑ 0.5	↓	-0.5
3 year	1.80	↓ -5.0	↓	-7.5
5 year	2.46	↓ -3.0	↓	-8.5
10 year	3.54	↓ -7.0	↓	-11.0

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	11.8Y	RON 100 mn	RON 100 mn
Thursday	2.3Y	RON 500 mn	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	1.30	↓ -10.0	↓	-33.0
3M ROBOR	1.46	→ 0.0	↓	-2.0
6M ROBOR	1.65	↓ -2.0	↓	-1.0
1Y ROBOR	1.73	↓ -3.0	↓	-1.0
5Y CDS	109.95	↓ -5.8	↑	0.0

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.4147	↓ -0.08	↓	-0.01
USD/RON	3.9436	↑ 0.11	↑	0.40
CHF/RON	4.0446	↓ -0.33	↑	0.24
100HUF/RON	1.4118	↓ -0.38	↑	0.78

Source: Reuters, OTP Research

Summary

- The RON slightly firmed against the EUR.
- The MoF sold the planned amount at yesterday's 12Y bond auction.
- MM rates continued to ease on Monday.
- The BVB indices changed little, while global stocks soared.

Favourable market sentiment ruled yesterday's trading on financial markets, which helped the RON slightly strengthen compared to Europe's shared currency. Nonetheless, the pair continued to be traded in a relatively tight range.

The Ministry of Finance managed to sell the planned amount of RON 100 mn in 11.8Y bonds at the first auction of October, after primary dealers submitted offers for almost RON 156 mn. At the same time, the average accepted yield stood at 3.97%. This month, the Ministry of Finance scheduled to borrow RON 3.4 bn via regular auctions and RON 0.3 bn through supplementary sessions of non-competitive offers. Yesterday government securities' benchmark yields increased marginally up to the 1Y maturity, but they eased significantly (by 3-7 bps) at the medium and long-term maturities.

Simultaneously, interbank lending rates mostly eased further, with the ROBOR giving back 10 bps, while the ROBOR 3M, an important reference rate for private clients, remained below 1.5%.

Liviu Voinea, the NBR's Deputy Governor, today presents the 2015's Financial Stability Report of the central bank in a press conference. The report may give additional hints about the main trends and risks of the Romanian banking sector.

The main global equity indices rallied yesterday, as commodity prices climbed higher and a later than previously thought rate hike in the USA became more probable in the light of soft economic data. As a result, the DAX marched 2.7% higher, and the S&P500 also added 1.8%. On the other hand, the positive market sentiment apparently left the BVB unaffected, as the main indices remained roughly flat. The BET gained only 0.1%, as among others it was dragged down by the shares of Transelectrica (-1.9%), while the BET-FI slipped 0.1% as well. Equities' total turnover was low, amounting to RON 14 mn.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
2-Oct	Friday	August	Producer Price Index (YoY%)	-2.7	-2.0
		August	Retail trade (YoY%)	9.6	9.8
5-Oct	Monday	no data			
6-Oct	Tuesday	no data			
7-Oct	Wednesday	Q2 2015	Detailed GDP growth rate (YoY%, provisional data 2)		4.3
		August	Net wage growth rate (YoY%)		7.6
		August	Industrial trade turnover index (YoY%)		6.4
		August	Index value of new orders in manufacturing (YoY%)		13.3

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		2-Oct-15					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.3311	↑ 0.18	↑ 4.12	↑ 3.34		
OTP Obligatiuni	RON	14.1437	↑ 0.38	↑ 2.63	↑ 4.32		
OTP ComodisRO	RON	16.8075	↑ 0.12	↑ 1.85	↑ 3.39		
OTP Euro Bond	EUR	12.3410	↑ 0.13	↑ 2.65	↑ 3.63		
OTP Dollar Bond	USD	10.5140	↑ 0.06	↑ 1.87	↑ 3.25		
OTP Premium Return	RON	1056.1285	↑ 0.06	↑ 2.06	↑ 3.02		

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