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Daily Report – Romania

Date: 09.10.2015

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	7,123.47	↑ 1.09	↑ 1.03	
BET-TR	8,113.74	↑ 1.09	↑ 1.03	
BET-FI	30,548.31	↑ 0.64	↑ 0.12	
BET-XT	651.06	↑ 1.00	↑ 0.96	
TLV	2.4000	↑ 0.84	↑ 0.42	
EL	11.8200	↑ 0.51	↑ 0.51	
FP	0.7850	↑ 0.64	→ 0.00	
SNG	30.5000	↑ 0.66	↑ 0.83	
SNP	0.3415	↑ 1.79	↑ 2.86	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	1.19	↓ -1.0	↓ -7.5	
12 month	1.32	↑ 0.5	↓ -5.5	
3 year	1.71	↓ -2.0	↓ -14.0	
5 year	2.37	↓ -2.0	↓ -12.0	
10 year	3.44	↓ -0.5	↓ -17.5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Thursday	2.3Y	RON 500 mn	RON 500 mn
Monday	7.5Y	RON 200 mn	

MONEY MARKET			
	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.94	↓ -9.0	↓ -46.0
3M ROBOR	1.39	↓ -2.0	↓ -7.0
6M ROBOR	1.60	↓ -1.0	↓ -7.0
1Y ROBOR	1.67	↓ -2.0	↓ -9.0
5Y CDS	116.50	↓ -0.9	↑ 0.8

FX MARKET			
	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4130	↓ -0.05	↓ -0.11
USD/RON	3.8889	↓ -0.63	↓ -1.28
CHF/RON	4.0429	↓ -0.18	↓ -0.37
100HUF/RON	1.4183	↑ 0.13	↑ 0.08

Source: Reuters, OTP Research

Summary

- The annual inflation rate stood at -1.7% in September, following August's -1.8%.
- Romania's industrial production index decreased by 0.5% MoM in August.
- Construction works edged down 0.4% MoM in the eighth month of the year.
- The RON appreciated sharply compared to the USD on Friday.
- The Treasury aims to sell RON 200 mn debt today.
- Romanian stocks fared well on Friday.

This morning, the National Institute of Statistics released September's consumer price indices. According to the report, the annual inflation rate stood at -1.7%, slightly higher than the market consensus of -1.8% (Reuters). On monthly basis, prices advanced by almost 0.3%, primarily due to food products (+0.9%), after potato prices increased sharply (+21.4% MoM). On the other hand, services' index inched up only 0.1% MoM, after the EUR/RON was almost flat on average in September. In the case of non-foods, prices fell 0.2% MoM, as fuel prices continued to ease (-1.4% MoM).

Industrial production lost some momentum in August, declining by 0.5% MoM (seasonally and working-day adjusted data). Nonetheless, the average level of the index for July and August is still above the Q2 threshold (+0.4%). In yearly comparison, the volume index increased by 6.0% (gross data).

In line with the weaker production data, exports' growth also decelerated to +1.5% YoY in August, from +5.6% YoY a month earlier, while imports remained strong (+10.9% YoY).

In August, construction works did not perform much better than the sector of industry, as it slipped 0.4% MoM (seasonally and working date adjusted data) as well, first of all dragged down by the segment of maintenance and current repairs (-5.9% MoM). Nevertheless, the volume index still recorded double-digit growth (+10.8%) on yearly basis.

The positive market sentiment continued to rule financial markets on Friday, helping the RON to strengthen somewhat compared to the EUR, in line with other currencies of the CEE region. At the same time, the EUR/USD climbed higher again, after the Fed's latest minutes showed that policymakers were concerned about the situation of emerging markets.

Today, the Treasury plans to borrow RON 200 mn through 7.5Y bonds. Last week, government securities' yields eased up to 18 bps.

Similarly to its Western-European peers, the BET performed well on Friday, advancing 1.1%, as the shares of BRD and Transelectrica surged more than 2%, and only Nuclearelectrica closed in the negative territory among the index's individual components.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
12-Oct	Monday	September	Consumer price index (YoY%)	-1.7	-1.8	-1.9
		August	Industrial production (YoY%)	6.0		3.8
		August	Construction works (YoY%)	10.8		15.4
		August	Exports (FOB, YoY%)	1.5		5.6
		August	Imports (CIF, YoY%)	10.9		7.2
13-Oct	Tuesday	August	Turnover of market serv. rendered mainly to enterp. (YoY%)			8.5
		August	Wholesale turnover index (YoY%)			5.9

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		8-Oct-15					
Investment funds	ccy	last NAV/U	1m%		Ytd%	52W%	
OTP AvantisRO	RON	8.3275	↓ -0.57	↑	4.07	↑	3.37
OTP Obligatiuni	RON	14.1722	↑ 0.46	↑	2.83	↑	4.37
OTP ComodisRO	RON	16.8121	↑ 0.12	↑	1.88	↑	3.36
OTP Euro Bond	EUR	12.3547	↑ 0.19	↑	2.76	↑	3.71
OTP Dollar Bond	USD	10.5452	↑ 0.26	↑	2.17	↑	3.52
OTP Premium Return	RON	1058.2505	↑ 0.17	↑	2.27	↑	3.45

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