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Daily Report – Romania

Date: 13.10.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,097.27	↓ -0.58	↑ 1.60
BET-TR	8,083.88	↓ -0.58	↑ 1.60
BET-FI	30,384.53	↑ 0.27	↓ -0.17
BET-XT	648.38	↓ -0.46	↑ 1.34
TLV	2.3850	↓ -0.63	↑ 2.80
BRD	11.0600	↑ 0.18	↑ 5.33
FP	0.7890	↑ 0.64	→ 0.00
SNG	30.4500	↓ -0.49	↑ 1.00
SNP	0.3340	↓ -2.48	↑ 1.37

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.18	↓ -0.5	↓ -8.0
12 month	1.29	→ 0.0	↓ -7.0
3 year	1.68	↓ -2.0	↓ -9.0
5 year	2.36	↓ -1.0	↓ -7.5
10 year	3.45	→ 0.0	↓ -5.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	7.5Y	RON 200 mn	RON 200 mn
Thursday	1Y	RON 700 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.83	↓ -7.0	↓ -33.0
3M ROBOR	1.36	↓ -1.0	↓ -7.0
6M ROBOR	1.59	→ 0.0	↓ -4.0
1Y ROBOR	1.67	→ 0.0	↓ -6.0
5Y CDS	117.38	↑ 0.9	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4140	↑ 0.04	↓ -0.11
USD/RON	3.8791	↓ -0.19	↓ -1.02
CHF/RON	4.0501	↑ 0.35	↓ -0.08
100HUF/RON	1.4186	↓ -0.40	↓ -0.17

Source: Reuters, OTP Research

Summary

- The EUR/RON closed near 4.41 on Tuesday.
- Interbank lending rates fell up to the 3M maturity.
- Stock indices ended the day with loss yesterday.

Disappointing Chinese foreign trade data and weaker than expected German ZEW index set the tone of yesterday's trading session. In the gloomy sentiment, the RON and its regional peers lost ground against the EUR, especially in the first half of the day, while they could recover some of their previous losses in late afternoon. Thus the EUR/RON closed almost flat on Tuesday, while Romania's domestic currency appreciated against the US dollar, after the EUR/USD climbed somewhat higher.

Government securities' fixing rates showed little variation yesterday, but on weekly basis the yield curve points to a 5-9 bps downward shift. At the same time, interbank money market rates eased up to the 3M maturity. With this movement, the ROBOR 3M decreased to 1.36%.

Today, Romania's central bank releases the provisional balance of payment statistics for August. The country's current account deficit has been reduced to 0% of GDP (12M rolling) during 2015, but the trade deficit started to increase in the past two months, as the growth rate of the domestic-demand-driven imports outpaced that of exports. On the other hand, the country's net external financing capacity is still high, reaching around 2% of GDP, letting the external debt of Romania fall further. Taking into account August's foreign trade statistics, released by the National Institute of Statistics on Monday, and the positive trend of households' disposable income, the trade deficit may widen in the remaining months of the year.

Tuesday's unfavourable market sentiment made the main European stock indices end lower, with the CAC40 slipping around 1.0%. Simultaneously, the DAX also edged down 0.9%, and in Bucharest the majority of the BVB's benchmarks closed in the red zone as well. The BET gave back 0.6%, after only four out of its ten components could increase, led by the shares of FP. In the USA, the key indices did not perform better, as they registered losses between 0.3% and 0.9% respectively.

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	
		Exports (FOB, YoY%)	1.5		5.6	
		Imports (CIF, YoY%)	10.9		7.2	
13-Oct	Tuesday	August	Turnover of market serv. rendered mainly to enterp. (YoY%)	9.2		8.5
		August	Wholesale turnover index (YoY%)	1.5		5.9
14-Oct	Wednesday	August	CA balance (EUR mn, YTD)			-347
15-Oct	Thursday		no data			
16-Oct	Friday	September	New passenger car registrations (YoY%)			14.9

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		12-Oct-15					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	8.4017	↑	0.11	↑	5.00	↑ 5.63
OTP Obligatiuni	RON	14.1779	↑	0.47	↑	2.88	↑ 4.40
OTP ComodisRO	RON	16.8146	↑	0.12	↑	1.89	↑ 3.35
OTP Euro Bond	EUR	12.3579	↑	0.19	↑	2.79	↑ 3.72
OTP Dollar Bond	USD	10.5542	↑	0.32	↑	2.26	↑ 3.59
OTP Premium Return	RON	1059.0927	↑	0.19	↑	2.35	↑ 3.79

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