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# Daily Report – Romania

Date: 27.10.2015

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,068.63	↓ -0.84	↑ 0.62
BET-TR	8,051.24	↓ -0.84	↑ 0.62
BET-FI	30,344.71	↓ -0.64	↑ 1.33
BET-XT	645.23	↓ -0.65	↑ 0.72
FP	0.7980	↓ -1.97	↑ 1.40
TLV	2.4550	↑ 1.03	↑ 3.37
BRD	11.1400	↑ 0.36	↑ 1.64
SNG	29.3000	↓ -0.51	↓ -0.68
EL	11.8000	→ 0.00	↑ 1.72

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.00	↓ -3.0	↓ -15.0
12 month	1.13	↓ -1.0	↓ -9.0
3 year	1.56	↓ -5.0	↓ -10.5
5 year	2.29	↓ -1.5	↓ -6.5
10 year	3.39	↓ -3.5	↓ -6.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	3.5Y	RON 500 mn	RON 500 mn

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.01	↓ -8.0	↑ 39.0
3M ROBOR	1.27	↓ -1.0	↓ -7.0
6M ROBOR	1.52	→ 0.0	↓ -10.0
1Y ROBOR	1.64	→ 0.0	↓ -5.0
5Y CDS	118.18	↑ 0.4	↑ 1.7

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4438	↑ 0.17	↑ 0.36
USD/RON	4.0189	↑ 0.18	↑ 3.01
CHF/RON	4.0757	↓ -0.09	↓ -0.08
100HUF/RON	1.4223	↓ -0.08	↓ -0.12

Source: Reuters, OTP Research

**Summary**

- The 5% dividend tax will be introduced starting from January 2016.
- The number of new commercial vehicles registrations advanced 36% YoY in September.
- New licenses for residential building were down by 9.2% YoY last month.
- The RON depreciated on Tuesday.
- The unfavourable global trading sentiment weighed on the BVB too.
- Today's main event will be the Fed's policy decision.

Yesterday the government decided to reduce the tax on dividends by 11 percentage points to 5%, starting from 1 January 2016. The new Fiscal Code, adopted recently, foresaw a lower dividend tax only in 2017. According to the calculation of the Ministry of Finance, the reduction will have a negative impact of RON 1.5 bn on budgetary revenues.

In September, the number of new commercial vehicles registrations continued to show high growth rates, surging by 36.0% YoY. In absolute term, they increased to above 2,000 in September, and are around 13,600 in the first nine months of the year. The latter value translates into a 30.5% YoY gain, which may suggest that companies became more optimistic about their future economic environment. The demand for new commercial vehicles also increased notably at the level of the European Union, recording a 14.7% YoY advance last month, while it grew by 12.2% YoY, to 1.35 mn in the period of January-September.

Somewhat surprisingly, the number of new residential building permits declined by 9.2% YoY, to around 3,500 in September. On the other hand, the number of licences was still up by 5.2% YoY in the first nine months of the year.

The CEE region's currencies mostly ended slightly weaker against the euro yesterday. As the EUR/RON also climbed higher to around 4.44, the leu was not an exception. On the other hand, it seems to be stronger this morning.

Government securities' yields eased 1-5 bps yesterday, while interbank lending rates also decreased up to the 3M maturity.

On Tuesday, a renewed downturn of crude oil prices and mixed company results weighed on European stock markets. Thus the key indices finished 0.8%-1.0% lower. At the same time, US equity benchmarks also slipped marginally, losing up to 0.3% ahead of today's policy statement of the Fed. In Bucharest, the good performance of banking shares could not offset the drop of other stocks such as OMW Petrom (-3.0%), making the BET fall by 0.8%. Simultaneously, the traded volumes stood at RON 28.5 mn.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
23-Oct	Friday	September	M3 (broad money, YoY%)	8.3	8.0
		September	Non-government loans (YoY%)	0.6	0.2
		September	Non-government deposits (YoY%)	7.4	7.4
26-Oct	Monday	no data			
27-Oct	Tuesday	September	New commercial vehicle registrations (YoY%)	36.0	49.8
28-Oct	Wednesday	September	Licenses for residential buildings (YoY%)	-9.2	31.7
29-Oct	Thursday	October	Economic Sentiment Indicator		104.5
		October	Consumer Confidence Indicator		-16.8

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		26-Oct-15					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.3949	↓ -0.06	↑	4.92	↑	6.01
OTP Obligatiuni	RON	14.2091	↑ 0.58	↑	3.10	↑	4.45
OTP ComodisRO	RON	16.8239	↑ 0.12	↑	1.95	↑	3.23
OTP Euro Bond	EUR	12.3794	↑ 0.33	↑	2.97	↑	3.73
OTP Dollar Bond	USD	10.5967	↑ 0.75	↑	2.67	↑	3.91
OTP Premium Return	RON	1063.2792	↑ 0.59	↑	2.75	↑	4.14

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