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Daily Report – Romania

Date: 10.11.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,290.08	↓ 0.00	↓ -0.75
BET-TR	8,303.47	↓ 0.00	↓ -0.75
BET-FI	30,772.19	↓ -0.28	↓ -1.61
BET-XT	662.84	↓ -0.04	↓ -0.76
TLV	2.6400	↑ 0.38	↓ -1.12
BRD	12.1000	↑ 0.83	↑ 1.17
FP	0.8250	↓ -0.36	↓ -1.20
EL	12.0600	↓ -0.17	↔ 0.00
TEL	27.9000	↑ 1.27	↑ 2.01

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.97	↓ -3.0	↓ -2.0
12 month	1.10	↔ 0.0	↑ 0.5
3 year	1.55	↔ 0.0	↑ 1.0
5 year	2.37	↓ -0.5	↑ 4.0
10 year	3.53	↔ 0.0	↑ 6.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	11.7Y	RON 100 mn	RON 100 mn
Thursday	12M	RON 1000 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.61	↓ -1.0	↓ -3.0
3M ROBOR	1.13	↔ 0.0	↓ -3.0
6M ROBOR	1.41	↔ 0.0	↓ -2.0
1Y ROBOR	1.57	↔ 0.0	↓ -1.0
5Y CDS	121.78	↑ 0.4	↑ 3.6

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4431	↓ -0.38	↑ 0.20
USD/RON	4.1454	↓ -0.07	↑ 2.55
CHF/RON	4.1166	↓ -0.44	↑ 0.88
100HUF/RON	1.4227	↑ 0.08	↑ 0.57

Source: Reuters, OTP Research

Summary

- President Iohannis named former EU Commissioner Dacian Ciolos as new PM yesterday.
- The RON rallied against the EUR on Tuesday.
- Romania's annual inflation slightly increased in October, to -1.6%.
- Construction works increased by 0.7% MoM in September.
- The BVB indices showed little variation yesterday.

On Tuesday, President Klaus Iohannis appointed former EU Commissioner Dacian Ciolos as the country's new prime minister, who will have ten days to name a technocrat government and develop a governing programme, which should be voted by the country's Parliament as well. Mr Ciolos occupied the position of European Commissioner for Agriculture between 2010 and 2014, and he also served as Minister of Agriculture and Rural Development in the Tariceanu cabinet starting from October 2007 to December 2008. Earlier, Mr Ciolos studied Agronomy at universities in Cluj, Romania and in France. The new PM designate is not affiliated with any political party.

The RON surged toward 4.44 yesterday, registering one of its largest daily gains compared to the EUR in the past few months, while the other currencies of the CEE region could also appreciate against the EUR.

Romania's consumer prices index climbed slightly higher, to -1.6% YoY in October, according to the NIS's statistics released this morning. One month earlier, it stood at -1.7% YoY. Prices of vegetables advanced the most compared to September (+4.5% MoM). As a result, food prices added 0.5% MoM. At the same time, non-foods and services also became more expensive (+0.1% and +0.3%), lifting the overall index 0.3% higher.

Construction works continued to increase in September too, inching up 0.7% MoM (seasonally and working day adjusted data), while in yearly comparison, the index rose by 4.4% (gross data). On average, Romania's construction works were around 2% higher in Q3 than a quarter earlier. This may indicate that the sector remained on an upward trend in the third quarter too. The NIS will publish its first Q3 GDP estimate on Friday morning.

In line with the main global equity indices, the BVB's stock benchmarks changed little on Tuesday. The BET closed flat, as its components moved in different directions. The highest gains were recorded by Transelectrica (+1.3%) and banking shares such as the BRD (+0.8%) and the TLV (+0.4%). The two credit institutions released their earnings reports recently.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
6-Nov	Friday	September	Net wage growth rate (YoY%)	8.0	7.7
9-Nov	Monday	September	Industrial trade turnover index (YoY%)	0.9	2.6
		September	Index value of new orders in manufacturing (YoY%)	-3.9	3.8
		September	Exports (FOB, YoY%)	0.2	1.4
		September	Imports (CIF, YoY%)	4.9	10.9
10-Nov	Tuesday	September	Industrial production (YoY%)	3.9	5.5
11-Nov	Wednesday	October	Consumer price index (YoY%)	-1.6	-1.6
		September	Construction works (YoY%)	4.4	10.6
12-Nov	Thursday	September	Turnover of market serv. provided to the population (YoY%)		9.5

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		9-Nov-15					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.5704	↑ 2.15	↑ 7.11	↑ 7.99		
OTP Obligatiuni	RON	14.2166	↑ 0.29	↑ 3.16	↑ 4.30		
OTP ComodisRO	RON	16.8334	↑ 0.12	↑ 2.00	↑ 3.09		
OTP Euro Bond	EUR	12.3785	↑ 0.18	↑ 2.96	↑ 3.59		
OTP Dollar Bond	USD	10.5677	↑ 0.15	↑ 2.39	↑ 3.10		
OTP Premium Return	RON	1072.2880	↑ 1.24	↑ 3.63	↑ 4.65		

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