

## Headquarter Treasury Sales

**Alexandru Tibuleac**

0372 31 85 85

alexandru.tibuleac@otpbank.ro

**Cristian Ilie**

0372 31 85 86

ilie.cristian@otpbank.ro

**Corina Bejan**

0372 31 85 84

corina.bejan@otpbank.ro

**Alina Gheorghita**

0372 31 85 83

alina.gheorghita@otpbank.ro

**Andreea Nica**

0755 000 106

andreea.nica@otpbank.ro

## Regional Treasury Sales

**Szilamer Kozma - Cluj**

0755 000 400

szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**

0755 000 199

tudor.zaman@otpbank.ro

**Laura Sirbu - Bucuresti**

0729 963 540

laura.sirbu@otpbank.ro

**Alexandru Sabin - Arad**

0730 577 959

alexandru.sabin@otpbank.ro



# Daily Report – Romania

Date: 11.11.2015

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,285.34	↓ -0.07	↓ -0.88
BET-TR	8,298.07	↓ -0.07	↓ -0.88
BET-FI	30,780.99	↑ 0.03	↓ -1.39
BET-XT	662.16	↓ -0.10	↓ -0.83
TLV	2.6350	↓ -0.19	→ 0.00
TEL	28.0000	↑ 0.36	↑ 1.82
FP	0.8320	↑ 0.85	↓ -1.07
BRD	12.1000	→ 0.00	↑ 1.00
SIF2	0.8090	↑ 1.13	↓ -0.12

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.97	↑ 0.5	↓ -3.0
12 month	1.09	↓ -1.0	↓ -1.5
3 year	1.55	→ 0.0	↓ -1.5
5 year	2.35	↓ -1.5	↓ -2.5
10 year	3.52	↓ -1.0	→ 0.0

**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	0.55	↓ -6.0	↓ -10.0
3M ROBOR	1.11	↓ -2.0	↓ -5.0
6M ROBOR	1.40	↓ -1.0	↓ -3.0
1Y ROBOR	1.56	↓ -1.0	↓ -2.0
5Y CDS	121.77	↑ 0.4	↑ 1.8

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4379	↓ -0.12	↓ -0.21
USD/RON	4.1302	↓ -0.37	↑ 0.93
CHF/RON	4.1109	↓ -0.14	↓ -0.23
100HUF/RON	1.4231	↑ 0.03	↑ 0.62

Source: Reuters, OTP Research

**Summary**

- The lower house of Romania's Parliament adopted a 10% wage hike for all public employees yesterday.
- The EUR/RON eased below 4.44 on Wednesday.
- Today the Treasury plans to sell RON 1 bn via 12M bills.
- The ROBOR 3M decreased to a new historical low.
- Market services' turnover index rendered to the population added 13% YoY in September.
- The BVB's indices changed little yesterday.

On Wednesday, Romania's chamber of deputies approved the Social Democratic Party's amendment on a 10% wage hike for all public employees with 319 supportive votes, seven abstentions and only one vote against. The salary raise should be implemented starting from 1 December 2015. This measure, together with other similar increases in the case of public health and education sectors, put significant pressure on the 2016 budget, lifting the deficit close to 3% or even higher, unless compensatory actions will be taken by the new government. According to press information, PM designate Dacian Ciolos may reveal the list of proposed ministers in his forming cabinet already on Saturday.

On Wednesday, the RON appreciated against the EUR for the second consecutive day, pushing the pair below 4.44. Poland's PLN and the Hungarian forint moved in the same direction compared to the common European currency yesterday.

The Treasury holds an auction for selling RON 1 bn in 12M bills today. At the latest similar auction in the middle of October, the average accepted yield stood at 1.20%.

ROBOR interest rates mostly decreased yesterday, with the 3M maturity registering a new record low at 1.11%. The declining trend of money market rates and the perspective of loose monetary conditions should support further RON-denominated lending activity of commercial banks.

The turnover index of market services rendered to the population increased by 13.3% YoY in September (gross data), the NIS wrote in a press release this morning.

On Friday, Romania's Statistical Office publishes its flash Q3 GDP estimate. High-frequency indicators suggest that the majority of the main economic sectors were on an upward trend in the third quarter of 2015, but agriculture could be a drag on growth.

Despite the mostly optimistic mood in Western Europe, the BVB indices ended the day broadly flat. The BET slipped less than 0.1%, as OMW Petrom shares weigh on the main equity benchmark.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
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
13-Nov	Friday	Q3 2015	Flash GDP growth rate (YoY%)	3.0	3.4
		September	Turnover of market serv. rendered mainly to enterp. (YoY%)		9.2
		September	Wholesale turnover index (YoY%)		1.5
		September	CA balance (EUR mn, YTD)		-585

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		10-Nov-15					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.5780	↑ 2.24	↑ 7.20	↑ 8.26		
OTP Obligatiuni	RON	14.2197	↑ 0.32	↑ 3.18	↑ 4.30		
OTP ComodisRO	RON	16.8342	↑ 0.13	↑ 2.01	↑ 3.07		
OTP Euro Bond	EUR	12.3824	↑ 0.21	↑ 2.99	↑ 3.61		
OTP Dollar Bond	USD	10.5687	↑ 0.16	↑ 2.40	↑ 3.10		
OTP Premium Return	RON	1071.0430	↑ 1.12	↑ 3.51	↑ 4.58		

**Chief Economist**
**Gergely Tardos**

+36 1 3747273

[tardosg@otpbank.hu](mailto:tardosg@otpbank.hu)
**Analyst**
**Csaba Bálint**

+4021 3075896

[csaba.balint@otpbank.ro](mailto:csaba.balint@otpbank.ro)

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