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# Daily Report – Romania

Date: 03.12.2015

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	7,019.25	↓ -0.02	↓ -1.80	
BET-TR	7,994.99	↓ -0.02	↓ -1.80	
BET-FI	30,162.95	↑ 0.05	↓ -0.46	
BET-XT	641.15	↓ -0.01	↓ -1.61	
BRD	11.6600	↑ 0.87	↓ -1.52	
TLV	2.4150	↓ -0.62	↓ -2.23	
FP	0.8130	↑ 0.12	↓ -0.25	
SNG	28.0000	↓ -0.36	↓ -4.11	
EL	11.9800	→ 0.00	↓ -1.16	

  

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	0.78	↑ 2.5	↓ -2.5	
12 month	0.90	↑ 2.5	→ 0.0	
3 year	1.42	↑ 3.0	↓ -0.5	
5 year	2.25	↑ 3.5	↑ 1.5	
10 year	3.55	↑ 6.5	↑ 5.5	

  

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Thursday	2.1Y	RON 600 mn	RON 600 mn
Monday	9.2Y	RON 200 mn	

  

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	0.58	↓ -2.0	↓ -10.0	
3M ROBOR	1.03	↓ -1.0	↓ -5.0	
6M ROBOR	1.35	↓ -1.0	↓ -2.0	
1Y ROBOR	1.52	→ 0.0	↑ 1.0	
5Y CDS	119.09	↓ 0.0	↑ 1.8	

  

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.4800	↑ 0.29	↑ 0.65	
USD/RON	4.1205	↑ 0.91	↓ -1.92	
CHF/RON	4.1282	↑ 0.43	↑ 1.16	
100HUF/RON	1.4348	↑ 0.67	↑ 0.56	

Source: Reuters, OTP Research

### Summary

- Romania's budget for 2016 was published last week.
- Prima Casa guarantee programme may continue next year too.
- The EUR/RON ended last week higher.
- The BET was almost flat on Friday.

The 2016 budget plan was published at the end of last week. In line with the previous announcements, the project reckons with 2.95% deficit, using the EU's ESA2010 methodology and 2.8% on cash basis. According to the plan, Romania's economy may advance 4.1% in 2016, allowing total revenues to increase from the expected RON 227 bn in 2015, to RON 231 bn next year, despite the tax cuts to be implemented from 1 January. At the same time, total expenditures would increase by RON 16 bn to RON 252 bn in 2016, among others as a result of the approved wage hikes in the public sector, higher spending on operating expenses and social transfers. Investments also should rise to RON 37.7 bn, from the estimated RON 33.7 bn in 2015. Nevertheless, compared to this year's revised plan, which looks to be unachievable, this value of RON 37.7 bn implies a significant drop.

Government officials also said that the minimum wage increase from RON 1.050 to RON 1.200, which should be implemented in January, was cancelled in order to perform an impact assessment. Moreover, the government also decided to lift private pension fund contributions by a lower-than-previously-assumed rate.

Despite the earlier rumours, the so called Prima Casa state guarantee scheme, proposed to support mortgage lending, most probably will continue next year, but with a lower limit (RON 1.5 bn versus this year's RON 2.8 bn).

The CEE region's currencies moved mixed compared to the EUR on Friday, with the EUR/RON climbing somewhat higher. Simultaneously, the RON depreciated more significantly against the USD.

In Europe, the key equity market continued to decline, while the BVB's benchmarks were broadly unchanged amid low volumes. In the USA, equities performed well, helped by November's strong job report.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
2-Dec	Wednesday	October	Producer Price Index (YoY%)	-2.6	-2.8
		November	FX Reserves, EUR bn	32.1	31.6
3-Dec	Thursday	October	Tourists' overnight stays (YoY%)	14.1	16.9
		October	Retail trade (YoY%)	11.1	12.0
4-Dec	Friday	Q3 2015	Detailed GDP growth rate (YoY%, provisional data 1)	3.6	3.4
7-Dec	Monday		no data		
8-Dec	Tuesday	October	Net wage growth rate (YoY%)		8.0
		October	Industrial trade turnover index (YoY%)		0.9
		October	Index value of new orders in manufacturing (YoY%)		-3.9

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		3-Dec-15					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.4994	↓ -0.70	↑	6.22	↑	6.64
OTP Obligatiuni	RON	14.2591	↑ 0.28	↑	3.46	↑	4.35
OTP ComodisRO	RON	16.8493	↑ 0.12	↑	2.10	↑	2.94
OTP Euro Bond	EUR	12.4043	↑ 0.16	↑	3.18	↑	3.66
OTP Dollar Bond	USD	10.5826	↓ -0.12	↑	2.53	↑	2.67
OTP Premium Return	RON	1073.5331	↑ 0.10	↑	3.75	↑	4.13
OTP Global Mix	RON	9.9846	n.a.		n.a.		n.a.
OTP Euro Premium Return	EUR	9.8987	n.a.		n.a.		n.a.

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