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# Daily Report – Romania

Date: 07.12.2015

| STOCK EXCHANGE |           |                |                 |       |
|----------------|-----------|----------------|-----------------|-------|
|                | Close     | Daily chg. (%) | Weekly chg. (%) |       |
| BET            | 7,098.52  | ↑ 1.13         | ↓               | -0.75 |
| BET-TR         | 8,085.28  | ↑ 1.13         | ↓               | -0.75 |
| BET-FI         | 30,219.93 | ↑ 0.19         | ↓               | -0.35 |
| BET-XT         | 647.25    | ↑ 0.95         | ↓               | -0.67 |
| FP             | 0.8160    | ↑ 0.37         | ↓               | -0.49 |
| SNG            | 27.9500   | ↓ -0.18        | ↓               | -3.29 |
| TGN            | 278.0000  | ↑ 2.21         | ↑               | 2.96  |
| TLV            | 2.4250    | ↑ 0.41         | ↓               | -2.22 |
| SIF2           | 0.7900    | ↓ -0.63        | ↓               | -1.86 |

  

| GOV'T BOND MARKET |           |                 |                  |      |
|-------------------|-----------|-----------------|------------------|------|
| Maturity          | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |      |
| 6 month           | 0.78      | ↑ 0.5           | ↓                | -0.5 |
| 12 month          | 0.94      | ↑ 4.0           | ↑                | 4.0  |
| 3 year            | 1.44      | ↑ 1.5           | ↑                | 1.0  |
| 5 year            | 2.32      | ↑ 7.5           | ↑                | 9.0  |
| 10 year           | 3.62      | ↑ 7.0           | ↑                | 12.5 |

  

| GOV'T BOND AUCTIONS |          |            |            |
|---------------------|----------|------------|------------|
|                     | Maturity | Auctions   | Sold       |
| Monday              | 9.2Y     | RON 200 mn | RON 200 mn |
| Thursday            | 7Y       | RON 300 mn |            |

  

| MONEY MARKET |          |                |                 |      |
|--------------|----------|----------------|-----------------|------|
|              | Rate (%) | Daily chg (bp) | Weekly chg (bp) |      |
| ON ROBOR     | 0.58     | → 0.0          | ↓               | -6.0 |
| 3M ROBOR     | 1.03     | → 0.0          | ↓               | -3.0 |
| 6M ROBOR     | 1.35     | → 0.0          | ↓               | -2.0 |
| 1Y ROBOR     | 1.52     | → 0.0          | ↑               | 1.0  |
| 5Y CDS       | 119.85   | ↑ 0.8          | ↑               | 2.5  |

  

| FX MARKET  |        |                |                 |       |
|------------|--------|----------------|-----------------|-------|
|            | Rate   | Daily chg. (%) | Weekly chg. (%) |       |
| EUR/RON    | 4.4815 | ↑ 0.03         | ↑               | 0.56  |
| USD/RON    | 4.1338 | ↑ 0.32         | ↓               | -2.04 |
| CHF/RON    | 4.1337 | ↑ 0.13         | ↑               | 0.97  |
| 100HUF/RON | 1.4314 | ↓ -0.24        | ↓               | -0.20 |

Source: Reuters, OTP Research

### Summary

- The growth rate of average net wages accelerated in October, after the implementation of several public wage hikes.
- The EUR/RON climbed higher, ending the day above 4.48.
- Yesterday the MoF managed to sell the planned amount in 9.3Y bonds amid rising yields.
- All of the BVB indices closed in the green zone, while equities' total turnover stood at RON 24 mn

This morning, Romania's National Institute of Statistics released its wage report for October. The data showed that the upward trend was maintained, moreover it could even accelerate to a 9.7% YoY increase from 8.0% YoY a month earlier, due to a jump (+16.7% MoM) in wages at the segment of health and social work activities. Average net wages should continue to register high year-on-year growth figures in the light of the notable salary increases, approved recently for public employees.

The RON slightly weakened against the EUR on Monday, in line with its regional peers, while the USD recuperated some of its last week's losses compared to the common European currency.

As planned, the Ministry of Finance held an auction yesterday, selling RON 200 mn in 9.3Y bonds. Nine commercial banks participated in the transaction, subscribing for RON 314 mn, while the average accepted yield reached 3.70%. This level was 14 bps higher compared to the similar auction in the second half of November. In the last few days, following the ECB's announcement regarding the extension of its easing measures, which disappointed several investors, government securities' yield curve shifted up by 8 bps on average, with the largest movements at the long end.

After suffering sharp losses last week, European stocks mostly could start well yesterday, helped also by last Friday's healthy US nonfarm payroll statistics and dovish comments from ECB President Mario Draghi. As a result, Germany's DAX and the French CAC40 surged 1.3% and 0.9% respectively. The positive market sentiment was felt on the BVB too, lifting the main indices 0.2%-1.3% higher. Amid the BET's components, the largest gains were recorded by OMW Petrom (3.3%) and Transgaz (2.2%), but the shares of BRD also inched up 2.1%. On the other hand, the main US indices were dragged down by falling crude oil prices on Monday.

| 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%)                         | 9.7       | 8.0      |
|       |           | October   | Industrial trade turnover index (YoY%)              | 0.5       | 0.7      |
|       |           | October   | Index value of new orders in manufacturing (YoY%)   | 4.1       | -3.9     |
| 9-Dec | Wednesday |           | no data   |           |          |

Source: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds |     | 4-Dec-15   |         |   |      |   |      |
|---------------------------|-----|------------|---------|---|------|---|------|
| Investment funds          | ccy | last NAV/U | 1m%     |   | Ytd% |   | 52W% |
| OTP AvantisRO             | RON | 8.5127     | ↓ -0.22 | ↑ | 6.39 | ↑ | 6.29 |
| OTP Obligatiuni           | RON | 14.2519    | ↑ 0.23  | ↑ | 3.41 | ↑ | 4.28 |
| OTP ComodisRO             | RON | 16.8503    | ↑ 0.12  | ↑ | 2.11 | ↑ | 2.94 |
| OTP Euro Bond             | EUR | 12.3977    | ↑ 0.09  | ↑ | 3.12 | ↑ | 3.60 |
| OTP Dollar Bond           | USD | 10.5775    | ↓ -0.15 | ↑ | 2.48 | ↑ | 2.61 |
| OTP Premium Return        | RON | 1072.6395  | ↑ 0.03  | ↑ | 3.66 | ↑ | 3.93 |
| OTP Global Mix            | RON | 9.9865     | n.a.    |   | n.a. |   | n.a. |
| OTP Euro Premium Return   | EUR | 9.8726     | n.a.    |   | n.a. |   | n.a. |

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