

Date: 09.12.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,035.95	↓ -0.48	↑ 0.65
BET-TR	8,014.00	↓ -0.48	↑ 0.65
BET-FI	30,329.33	↑ 0.21	↑ 0.24
BET-XT	643.08	↓ -0.32	↑ 0.66
TGN	279.0000	↓ -0.36	↑ 4.10
FP	0.8190	↓ -0.12	↑ 0.24
TLV	2.3900	↓ -0.42	↓ -0.83
SIF1	1.6240	↑ 1.12	↑ 2.14
EL	11.9200	↓ -0.33	↓ -0.50

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.78	↓ -1.0	↓ -0.5
12 month	0.93	↑ 0.5	↑ 3.5
3 year	1.42	→ 0.0	↓ -1.0
5 year	2.30	→ 0.0	↑ 7.0
10 year	3.62	↑ 1.0	↑ 12.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	7Y	RON 300 mn	
Monday	5.3Y	RON 500 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.56	→ 0.0	↓ -5.0
3M ROBOR	1.03	→ 0.0	↓ -1.0
6M ROBOR	1.35	↑ 1.0	→ 0.0
1Y ROBOR	1.51	↓ -1.0	→ 0.0
5Y CDS	120.31	→ 0.0	↑ 2.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4960	↑ 0.24	↑ 0.86
USD/RON	4.0778	↓ -0.96	↓ -3.02
CHF/RON	4.1438	↓ -0.17	↑ 0.40
100HUF/RON	1.4220	↓ -0.47	↓ -1.12

Sources: Reuters, OTP Research

Summary

- The 2016 budget draft was approved by the government on Wednesday.
- Market services' turnover provided to the population rose further in October.
- Both imports' and exports' growth accelerated in the first month of Q4.
- The EUR/RON continued to weaken yesterday too.
- The majority of the BVB's indices closed down on low volumes.

Yesterday Romania's government approved the 2016 budget draft with the previously announced key figures: 2.8% cash deficit and 4.1% economic growth forecast.

The turnover index of market services provided to the population grew by 0.5% MoM in October (seasonally and working day adjusted data), pushing up its annual gain to 14.7% (gross data). At the same time, the segment of hotels and restaurants, which has a high weight in the sector, advanced 19.7% YoY, indicating that households' demand might remain strong in the beginning of Q4 too.

The NIS's data released this morning revealed that both exports and import could accelerate in October. Nevertheless, exports added only 1.2% YoY, up from September's +0.2%, while imports increased much faster: 6.7% YoY versus 4.9% a month earlier. These data also point to robust internal demand and a likely increasing current account deficit in the following period.

The RON lost further ground against the EUR, ending yesterday's session well above 4.49, while the EUR could also strengthen compared to the leu's regional peers such as the HUF and the PLN. Moreover, Europe's shared currency continued to rally vs. the US dollar too, touching 1.10.

On Wednesday, European stocks dropped further, led by France's CAC40 index (almost -1.0%), but the German equity benchmark, the DAX and UK's FTSE100 also ended the day lower with 0.8% and 0.1% losses. The negative trend continued on the other side of the Atlantic too, as the main US indices finished in the red zone for the third consecutive day, after the early gains showed at the beginning of Wednesday's session had evaporated. On the domestic front, the BET slipped 0.5%, as all of its ten components closed in negative territory. The sharpest fall was registered by the shares of OMW Petrom (-1.0%), while the FP dropped only 0.1%. On the other hand, the BET-FI could rise a bit (+0.2%), after three out of its six individual stocks inched up yesterday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
9-Dec	Wednesday	no data			
10-Dec	Thursday	October	Turnover of market serv. provided to the population (YoY%)	14.7	13.3
		October	Exports (FOB, YoY%)	1.2	0.2
		October	Imports (CIF, YoY%)	6.7	4.9
11-Dec	Friday	November	Consumer price index (YoY%)	-1.1	-1.6
		October	Turnover of market serv. rendered mainly to enterp. (YoY%)		4.5
		October	Wholesale turnover index (YoY%)		4.5
		October	Construction works (YoY%)		4.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		8-Dec-15					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.5196	↓ -0.85	↑	6.48	↑	5.76
OTP Obligatiuni	RON	14.2579	↑ 0.29	↑	3.46	↑	4.14
OTP ComodisRO	RON	16.8531	↑ 0.13	↑	2.12	↑	2.45
OTP Euro Bond	EUR	12.4020	↑ 0.17	↑	3.16	↑	3.62
OTP Dollar Bond	USD	10.5839	↑ 0.07	↑	2.54	↑	2.66
OTP Premium Return	RON	1073.3391	↓ -0.05	↑	3.73	↑	3.66
OTP Global Mix	RON	9.9904	n.a.		n.a.		n.a.
OTP Euro Premium Return	EUR	9.8770	n.a.		n.a.		n.a.

Chief Economist
Gergely Tardos

+36 1 3747273

tardosg@otpbank.hu
Analyst
Csaba Bálint

+4021 3075896

csaba.balint@otpbank.ro

Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centered on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to csaba.balint@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.