

Date: 31.12.2015 (stock exchange data as of 30.12.2015)

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,004.32	↑ 0.34	↑ 1.50
BET-TR	7,977.94	↑ 0.34	↑ 1.50
BET-FI	30,276.49	↑ 0.74	↑ 0.76
BET-XT	640.42	↑ 0.39	↑ 1.44
TLV	2.4300	↑ 0.83	↑ 3.85
SNG	27.2000	↑ 1.49	↑ 2.64
SNP	0.2900	↓ -1.69	↓ -3.81
FP	0.8100	↑ 0.87	↑ 0.37
BRD	12.1000	↑ 2.02	↑ 8.04

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.79	⇒ 0.0	↑ 0.5
12 month	0.91	⇒ 0.0	↓ -0.5
3 year	1.42	↓ -0.5	⇒ 0.0
5 year	2.36	↑ 0.5	↓ -2.5
10 year	3.69	⇒ 0.0	↓ -0.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2.0Y	RON 600 mn	
Thursday	9.1Y	RON 200 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.53	↓ -2.0	↓ -1.0
3M ROBOR	1.02	⇒ 0.0	↓ -1.0
6M ROBOR	1.34	⇒ 0.0	↓ -1.0
1Y ROBOR	1.52	⇒ 0.0	↓ -4.0
5Y CDS	118.06	⇒ 0.0	⇒ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5225	↓ -0.14	↓ -0.19
USD/RON	4.1596	↑ 0.44	↑ 0.75
CHF/RON	4.1589	↓ -0.68	↓ -1.02
HUF/RON	1.4317	↓ -0.87	↑ 0.12

Sources: Reuters, OTP Research

Summary

- The new 20% standard VAT rate was introduced this month.
- Romania's currency, the RON lost around 1% against the EUR during 2015.
- The Treasury holds an auction today, in order to sell RON 600 mn debt.
- The BET finished last year slightly in the red.

In line with the new Fiscal Code, the standard value added tax rate was reduced by 4 percentage points to 20% starting from 1 January 2016. A similar movement, namely foods' VAT cut helped retail trades' growth to reach double-digit territory in the second half of last year, while households' consumption also surged 6.6% YoY in Q3 2015. During 2016, consumption may remain the most important engine of Romania's economic growth, supported by a newer minimum wage hike too, after the country's government decided recently to raise it starting from May 2016. As a result, more than 1.1 mn employees will earn RON 1,250 (the new level of the minimum wage in the economy), in contrast to RON 1,050 earlier.

Today the NBR releases its FX reserves data for December, while probably the most important event of the week will be the central bank's monetary policy meeting, which is set to be held on Thursday.

The RON could gain some ground compared to the EUR on the last trading day of 2015, while the official NBR rate stood at 4.5245, around 1% higher than a year earlier. At the same time, the RON weakened even more against the USD (almost 13%) during 2015, after the dollar firmed significantly versus the EUR on diverging monetary policies of the Fed and the ECB.

Today the Treasury plans to sell RON 600 mn in 2Y bonds.

The leading European and US equity indices stood in the negative territory on the last trading day of the year, but the majority of them could end higher on yearly basis. On the domestic front, the BET inched up to 7,004 points last week, but it was not enough to finish 2015 in the green zone, as the BVB's main index stood at 7.083 a year ago.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
1-Jan	Friday	no data			
4-Jan	Monday	December	FX Reserves, EUR bn		32.1
5-Jan	Tuesday	no data			
6-Jan	Wednesday	November	Producer Price Index (YoY%)		-2.6
7-Jan	Thursday	January	Base rate decision (%)	1.75	1.75

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		29-Dec-15					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.4759	↓ -0.49	↑	5.93	↑	6.57
OTP Obligatiuni	RON	14.2591	↑ 0.03	↑	3.46	↑	3.62
OTP ComodisRO	RON	16.8666	↑ 0.12	↑	2.21	↑	2.21
OTP Euro Bond	EUR	12.4039	↓ -0.03	↑	3.17	↑	3.18
OTP Dollar Bond	USD	10.5676	↓ -0.19	↑	2.39	↑	2.42
OTP Premium Return	RON	1071.1003	↓ -0.36	↑	3.51	↑	3.73
OTP Euro Premium Return	EUR	9.8249	n.a.		n.a.		n.a.
OTP Global Mix	RON	10.0023	n.a.		n.a.		n.a.

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