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# **Daily Report - Romania**



## DAILY REPORT - ROMANIA



Date: 31.12.2015 (stock exchange data as of 30.12.2015	)
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Close Daily chg. (%) Weekly chg. (%)  BET 7,004.32 1 0.34 1.50  BET-TR 7,977.94 1 0.34 1.50  BET-FI 30,276.49 1 0.74 1 0.76  BET-XT 640.42 1 0.39 1 1.44  TLV 2.4300 1 0.83 1 3.85  SNG 27.2000 1 1.49 1 2.64  SNP 0.2900 1 -1.69 3.81  FP 0.8100 1 0.87 1 0.37  BRD 12.1000 2.02 1 8.04  COV'T BOND MARKET  Maturity Yield (%) Daily chg. (bp) Weekly chg. (bp)  6 month 0.79 0.0 1 0.5  12 month 0.91 0.0 0.5  3 year 1.42 1 -0.5 0.0  5 year 2.36 1 0.5 2.25  10 year 3.69 0 0.0 1 -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 2.2.0 1 -1.0  3M ROBOR 1.02 0.0 1 -1.0  1Y ROBOR 1.52 0.0 1 -1.0  1Y ROBOR 1.52 0.0 0 1 -1.0  1Y ROBOR 1.52 0.0 0 1 -4.0  5Y CDS 118.06 0 0.0 0 0.0  FX MARKET  Rate Daily chg. (%) Weekly chg. (%)  EUR/RON 4.5225 0 0.14 0.75  CHF/RON 4.1589 0 0.44 0.75  CHF/RON 1.4317 0.87 0.12  Sources: Reuters, OTP Research	Date: 31.12.2015 (stock exchange data as of 30.12.2015)								
BET 7,004.32	STOCK EXCHANGE								
BET-TR 7,977.94	DET						(70)		
BET-FI  BET-XT  640.42					· <del>-</del>				
BET-XT 640.42					_				
TLV 2.4300									
SNG									
SNP									
FP       0.8100					_				
BRD 12.1000									
Maturity   Yield (%)   Daily chg. (bp)   Weekly chg. (bp)			_		_				
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         MONEY MARKET         Rate (%)       Daily chg (bp)       Weekly chg (bp)         ON ROBOR         3M ROBOR       1.02       ⇒ 0.0       ⊕ -1.0         3M ROBOR       1.34       ⇒ 0.0       ⊕ -1.0         4Y ROBOR       1.52       ⇒ 0.0       ⊕ -1.0         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       4.1589       ⊕ -0.68       ⊕ -1.02         HUF/RON	BRD					8.04			
6 month  0.79									
12 month	Maturity				(bp) Wee		(bp)		
3 year 1.42	6 month				_				
5 year 2.36	12 month	0.91		0.0		-0.5			
3.69 → 0.0	3 year	1.42	1	-0.5	$\Rightarrow$	0.0			
Maturity   Auctions   Sold	5 year	2.36	1	0.5	1	-2.5			
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       4 -2.0       4 -1.0         3M ROBOR       1.02       → 0.0       4 -1.0         6M ROBOR       1.34       → 0.0       4 -1.0         1Y ROBOR       1.52       → 0.0       4 -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       0.444       0.75         CHF/RON       4.1589       → 0.68       → 1.02         HUF/RON       1.4317       -0.87       0.12	10 year	3.69	$\Rightarrow$	0.0	1	-0.5			
Monday         2.0Y         RON 600 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         ↓ -4.0           5Y CDS         118.06         ⇒ 0.0         ↓ -0.0           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		GOV'T BO	OND	AUCTIO	ONS				
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		Maturity		Auctions	3	Sold			
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						00.0			
Rate (%) Daily chg (bp) Weekly chg (bp)  ON ROBOR  0.53	Monday	•	RC	ON 600 r		00.0			
Rate (%) Daily chg (bp) Weekly chg (bp)  ON ROBOR  0.53		2.0Y			mn	00.0			
ON ROBOR 0.53		2.0Y			mn	Cola			
3M ROBOR 1.02 → 0.0		2.0Y 9.1Y	RC	ON 200 r	mn mn	<b>.</b>			
6M ROBOR 1.34		2.0Y 9.1Y <b>MON</b> I	RC EY M	ON 200 r	mn mn		(bp)		
1Y ROBOR 1.52	Thursday	2.0Y 9.1Y MON Rate (%)	EY M Da	ON 200 r ARKET ily chg (l	mn mn bp) Wee	ekly chg	(bp)		
1Y ROBOR 1.52	Thursday  ON ROBOR	2.0Y 9.1Y MONI Rate (%) 0.53	EY M Dai	ARKET ily chg (l -2.0	bp) Wee	ekly chg	(bp)		
5Y CDS 118.06	Thursday  ON ROBOR 3M ROBOR	2.0Y 9.1Y MON Rate (%) 0.53 1.02	EY M Da	IARKET ily chg (I -2.0 0.0	bp) Wed	ekly chg -1.0 -1.0	(bp)		
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	ON ROBOR 3M ROBOR 6M ROBOR	2.0Y 9.1Y MON Rate (%) 0.53 1.02 1.34	EY M Da	IARKET ily chg (l -2.0 0.0	bp) Wed	ekly chg -1.0 -1.0 -1.0	(bp)		
Rate Daily chg. (%) Weekly chg. (%)  EUR/RON 4.5225	ON ROBOR 3M ROBOR 6M ROBOR 1Y ROBOR	2.0Y 9.1Y MONI Rate (%) 0.53 1.02 1.34 1.52	EY M Da ↓ ↓ ⇒	IARKET ily chg (l -2.0 0.0 0.0	bp) Wed	ekly chg -1.0 -1.0 -1.0 -4.0	(bp)		
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	ON ROBOR 3M ROBOR 6M ROBOR 1Y ROBOR	2.0Y 9.1Y MONI Rate (%) 0.53 1.02 1.34 1.52 118.06	EY M Da	ARKET ily chg (I -2.0 0.0 0.0 0.0	bp) Wed	ekly chg -1.0 -1.0 -1.0 -4.0	(bp)		
USD/RON 4.1596 ↑ 0.44 ↑ 0.75 CHF/RON 4.1589	ON ROBOR 3M ROBOR 6M ROBOR 1Y ROBOR	2.0Y 9.1Y MON Rate (%) 0.53 1.02 1.34 1.52 118.06	EY M Da	ARKET ily chg (I -2.0 0.0 0.0 0.0 0.0	bp) Wed	ekly chg -1.0 -1.0 -1.0 -4.0 0.0			
CHF/RON 4.1589	ON ROBOR 3M ROBOR 6M ROBOR 1Y ROBOR 5Y CDS	2.0Y 9.1Y MON Rate (%) 0.53 1.02 1.34 1.52 118.06 FX	EY M Dai	IARKET ily chg (I -2.0 0.0 0.0 0.0 0.0 RKET ily chg. (	bp) Wee	ekly chg -1.0 -1.0 -1.0 -4.0 0.0			
HUF/RON 1.4317 ♣ -0.87 ♠ 0.12	ON ROBOR 3M ROBOR 6M ROBOR 1Y ROBOR 5Y CDS	2.0Y 9.1Y MONI Rate (%) 0.53 1.02 1.34 1.52 118.06 FX Rate 4.5225	EY M Da	IARKET ily chg (I -2.0 0.0 0.0 0.0 RKET ily chg. (I -0.14	bp) Wee	ekly chg -1.0 -1.0 -1.0 -4.0 0.0			
	ON ROBOR 3M ROBOR 6M ROBOR 1Y ROBOR 5Y CDS  EUR/RON USD/RON	2.0Y 9.1Y MONI Rate (%) 0.53 1.02 1.34 1.52 118.06 FX Rate 4.5225 4.1596	RC  EY M  Da  →  →  →  Dai  Dai	ARKET ily chg (1 -2.0 0.0 0.0 0.0 RKET ily chg. (1 -0.14 0.44	bp) Wee	ekly chg -1.0 -1.0 -1.0 -4.0 0.0 ekly chg. -0.19 0.75			
	ON ROBOR 3M ROBOR 6M ROBOR 1Y ROBOR 5Y CDS  EUR/RON USD/RON CHF/RON	2.0Y 9.1Y MONI Rate (%) 0.53 1.02 1.34 1.52 118.06 FX Rate 4.5225 4.1596 4.1589	RC  EY M  Da  →  →  →  Dai  MAF	ARKET ily chg (I -2.0 0.0 0.0 0.0 0.0 RKET ily chg. (I -0.14 0.44 -0.68	bp) Wee	ekly chg -1.0 -1.0 -4.0 -0.0 ekly chg. -0.19 0.75 -1.02			

## **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	ссу	last NAV/U		1m%		Ytd%		52W%
OTP AvantisRO	RON	8.4759	1	-0.49	1	5.93	1	6.57
OTP Obligatiuni	RON	14.2591	1	0.03	1	3.46	1	3.62
OTP ComodisRO	RON	16.8666	1	0.12	1	2.21	1	2.21
OTP Euro Bond	EUR	12.4039	1	-0.03	1	3.17	1	3.18
OTP Dollar Bond	USD	10.5676	1	-0.19	1	2.39	1	2.42
OTP Premium Return	RON	1071.1003	1	-0.36	1	3.51	1	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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## DAILY REPORT - ROMANIA



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