

## Headquarter Treasury Sales

**Alexandru Tibuleac**

0372 31 85 85

alexandru.tibuleac@otpbank.ro

**Cristian Ilie**

0372 31 85 86

ilie.cristian@otpbank.ro

**Corina Bejan**

0372 31 85 84

corina.bejan@otpbank.ro

**Alina Gheorghita**

0372 31 85 83

alina.gheorghita@otpbank.ro

**Andreea Nica**

0755 000 106

andreea.nica@otpbank.ro

## Regional Treasury Sales

**Szilamer Kozma - Cluj**

0755 000 400

szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**

0755 000 199

tudor.zaman@otpbank.ro

**Laura Sirbu - Bucuresti**

0729 963 540

laura.sirbu@otpbank.ro

**Alexandru Sabin - Arad**

0730 577 959

alexandru.sabin@otpbank.ro



# Daily Report – Romania

Date: 06.01.2016

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,803.92	↓ -0.92	↓ -2.82
BET-TR	7,749.69	↓ -0.92	↓ -2.82
BET-FI	29,994.29	↓ -0.39	↓ -0.12
BET-XT	624.17	↓ -0.85	↓ -2.36
TLV	2.2950	↓ -1.29	↓ -6.33
SNG	26.5500	↓ -0.38	↓ -2.57
BRD	11.4000	↓ -0.87	↓ -1.72
TEL	29.2000	⇒ 0.00	↑ 0.69
FP	0.8000	↓ -0.50	↓ -0.50

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.79	⇒ 0.0	↓ -0.5
12 month	0.90	↓ -0.5	↓ -0.5
3 year	1.43	⇒ 0.0	↑ 0.5
5 year	2.36	↑ 0.5	↓ 0.0
10 year	3.71	↑ 2.0	↑ 0.5

**GOV'T BOND AUCTIONS**

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

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.46	↓ -6.0	↓ -11.0
3M ROBOR	0.98	↓ -2.0	↓ -4.0
6M ROBOR	1.35	↑ 1.0	↑ 1.0
1Y ROBOR	1.52	⇒ 0.0	⇒ 0.0
5Y CDS	118.94	↓ -0.5	↑ 0.9

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5251	↑ 0.13	↓ -0.08
USD/RON	4.1960	↓ -0.17	↑ 1.32
CHF/RON	4.1655	↓ -0.08	↓ -0.53
100HUF/RON	1.4375	↓ -0.30	↓ -0.46

Sources: Reuters, OTP Research

**Summary**

- The NBR may leave its benchmark interest rate unchanged at 1.75% today.
- Retail trade's growth accelerated further (15.0% YoY in November vs. 12.3% YoY a month earlier).
- Romania's unemployment rate went down to 6.7% in November, from 6.8% in October.
- On Wednesday, the RON marginally weakened against the EUR amid negative global market sentiment.
- The ROBOR 3M eased below 1.00%, setting a new historical low.

The NBR holds today its first monetary policy meeting of the year. In line with the market consensus, we also expect that Romania's central bank may keep the benchmark interest rate unchanged at 1.75%, as the country's economy could show signs of overheating during 2016, on the back of a much looser fiscal stance and rapidly growing real wages. Taking into account the abundant liquidity on the interbank money market and the relative weakness of the leu in recent weeks, we see little chance for a reduction of minimum reserve ratios today, especially in the case of RON liabilities.

November's retail trade data, released this morning, seems to confirm that households' demand was quite strong in the latest period too. The volume index of retail trade increased by 2.5% MoM (SWDA data), pointing to the second largest gain in 2015. First of all, this advance was fuelled by the segment of non-food products (+5.4%), but trades with foods and fuels could also inch up. On yearly basis, the headline indicator added +15.0% (gross data).

Favourable statistics came from the labour market too, as the unemployment rate slipped by 0.1% to 6.7% in November, the NIS said this morning. Simultaneously, the number of unemployed persons decreased by almost 9,500 in the 11th month of last year.

This afternoon, December's economic sentiment and consumer confidence indicators will see the light of day.

On Wednesday, investors might have worried about news coming from the Far East, after China's services purchasing manager index caused some disappointment, underscoring the weakness of the world's second largest economy. Furthermore, North Korea announced its first successful hydrogen bomb test yesterday, raising additional concerns on the market. In the negative trading sentiment, the CEE region's currencies mostly depreciated compared to both the EUR and the US dollar, with the EUR/RON ending the day around 4.52.

The Ministry of Finance aims to sell RON 200 mn via 9.1Y government bonds today.

Interbank MM lending rates eased further up to the 3M maturity, with the ROBOR 3M setting a new record low, after it slipped below 1.00% for the first time.

In the unfavourable global market sentiment, which characterized yesterday's trading, the BVB indices ended in the red zone, with the BET falling 0.9%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
7-Jan	Thursday	January		1.75	1.75
		Base rate decision (%)			
	November		15.0	11.1	
	Retail trade (YoY%)				
	November		6.7	6.8	
	ILO unemployment rate (%; seasonally adjusted)				
December	November		17.9	14.1	
	Tourists' overnight stays (YoY%)				
	December			104.8	
	Economic Sentiment Indicator				
8-Jan	Friday	December			-17.8
		Consumer Confidence Indicator			
		no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		5-Jan-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.4128	↓ -1.17	↓	-1.05	↑	5.89
OTP Obligatiuni	RON	14.2668	↑ 0.10	↑	0.07	↑	3.47
OTP ComodisRO	RON	16.8712	↑ 0.12	↑	0.02	↑	2.13
OTP Euro Bond	EUR	12.4131	↑ 0.12	↑	0.08	↑	3.22
OTP Dollar Bond	USD	10.5736	↓ -0.04	↑	0.05	↑	2.44
OTP Premium Return	RON	1067.3331	↓ -0.49	↓	-0.42		n.a.
OTP Euro Premium Return	EUR	9.8659	↓ -0.07	↑	0.34		n.a.
OTP Global Mix	RON	9.9893	↑ 0.03	↓	-0.10		n.a.

**Chief Economist**
**Gergely Tardos**

+36 1 3747273

[tardosg@otpbank.hu](mailto:tardosg@otpbank.hu)
**Analyst**
**Csaba Bálint**

+4021 3075896

[csaba.balint@otpbank.ro](mailto: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](mailto: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.