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Daily Report – Romania

Date: 11.01.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,608.41	↓ -1.49	↓ -4.31
BET-TR	7,527.00	↓ -1.49	↓ -4.31
BET-FI	29,029.17	↓ -1.90	↓ -3.26
BET-XT	606.38	↓ -1.45	↓ -4.05
SNG	25.5000	↓ -1.92	↓ -4.49
FP	0.7760	↓ -2.63	↓ -3.00
TLV	2.2300	↓ -1.33	↓ -5.91
EL	12.0200	↑ 0.17	↑ 0.17
TGN	271.0000	→ 0.00	↓ -1.45

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.74	↑ 0.5	↓ -5.0
12 month	0.88	↓ -1.5	↓ -2.5
3 year	1.38	↓ -2.5	↓ -4.5
5 year	2.30	↓ -3.5	↓ -4.5
10 year	3.64	↓ -4.5	↓ -5.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.9Y	RON 300 mn	RON 352 mn
Thursday	3.3Y	RON 600 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.43	↑ 1.0	↓ -10.0
3M ROBOR	0.97	↓ -1.0	↓ -3.0
6M ROBOR	1.32	↓ -1.0	↓ -2.0
1Y ROBOR	1.49	↓ -1.0	↓ -3.0
5Y CDS	118.06	↓ -2.2	↓ -2.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5330	↑ 0.14	↑ 0.20
USD/RON	4.1743	↑ 0.72	↓ -0.07
CHF/RON	4.1642	↓ -0.06	↓ -0.07
100HUF/RON	1.4275	↓ -0.14	↓ -0.71

Sources: Reuters, OTP Research

Summary

- Romania's RON slightly weakened against the EUR on Monday.
- The MoF sold more than planned at yesterday's bond auction.
- The ROBOR 3M dipped to 0.97%, registering a newer historical low.
- Stock markets continued to fall yesterday.

Yesterday's trading was ruled mostly by gloomy sentiment on global financial markets. In this environment, the RON slightly depreciated compared to the common European currency, but it lost even more against the USD.

The Ministry of Finance could benefit from the favourable liquidity conditions on the market, selling more than the planned amount (RON 352 mn vs RON 300 mn) at yesterday's bond auction. This was already the second case in January for the MoF to borrow more than the announced volume. Eight banks participated in the auction, subscribing for RON 786 mn. At the same time, the average accepted yield eased by almost 20 bps compared to a similar tender in the middle of December 2015. Yesterday the majority of the government securities' benchmark yields also decreased.

Money market lending rates mostly eased further on Monday, with the exception of the ROBOR ON and ROBOR TN. As a result, the interest rate on the 3M maturity dropped even deeper, setting a new record low level (0.97%).

Yesterday European stocks stood in the positive territory in the majority of the trading session, but they slipped below zero, led by mining and oil companies, as commodity prices plunged, with crude oil getting close to a 12-year low. In London, the FTSE100 dipped 0.7%, followed by the CAC40 (-0.5%) and the DAX (-0.3%). The trading sentiment was gloomy in Bucharest too, sending all of the BVB's indices in the red zone. Among the BET components, the shares of BRD (-3.0%), FP (-2.6%) and SNG (-1.9%) fell the most, while Electrica (+0.2%) and Transelectrica (+0.2%) could record slight gains. In the USA, the key indices closed mixed on Monday.

Tomorrow a bunch of macroeconomic indicators will be released, including December's consumer price index.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
11-Jan	Monday	November	Exports (FOB, YoY%)	1.8	1.2
		November	Imports (CIF, YoY%)	8.4	6.7
12-Jan	Tuesday	no data			
13-Jan	Wednesday	December	Consumer price index (YoY%)	-0.7	-1.1
		November	Industrial trade turnover index (YoY%)		0.5
		November	Index value of new orders in manufacturing (YoY%)		4.1
		November	Industrial production (YoY%)		0.0
		November	Net wage growth rate (YoY%)		9.7
		November	CA balance (EUR mn, YTD)		-906

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		8-Jan-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.2445	↓ -3.23	↓	-3.03	↑	2.87
OTP Obligatiuni	RON	14.2724	↑ 0.10	↑	0.10	↑	3.47
OTP ComodisRO	RON	16.8735	↑ 0.12	↑	0.04	↑	1.92
OTP Euro Bond	EUR	12.4159	↑ 0.11	↑	0.11	↑	3.22
OTP Dollar Bond	USD	10.5724	↓ -0.11	↑	0.04	↑	2.42
OTP Premium Return	RON	1063.5926	↓ -0.91	↓	-0.76	↑	2.50
OTP Euro Premium Return	EUR	9.8311	↓ -0.46	↓	-0.02		n.a.
OTP Global Mix	RON	9.9825	↓ -0.08	↓	-0.17		n.a.

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