

## Headquarter Treasury Sales

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# Daily Report – Romania

Date: 02.02.2016

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,305.73	↓ -0.26	↑ 0.98
BET-TR	7,182.21	↓ -0.26	↑ 0.98
BET-FI	28,049.72	↑ 0.24	↑ 3.01
BET-XT	579.42	↓ -0.25	↑ 1.09
FP	0.7520	↑ 1.08	↑ 5.32
TLV	2.2900	↓ -0.43	↑ 0.44
SNG	24.0000	↑ 0.63	↑ 0.84
EL	11.5000	↑ 0.17	↓ -1.03
BRD	10.0600	↓ -0.79	↓ -1.95

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.46	→ 0.0	↓ -14.0
12 month	0.71	↓ -1.0	↓ -6.5
3 year	1.18	↑ 0.5	↓ -10.5
5 year	2.08	↓ -3.0	↓ -9.0
10 year	3.38	↓ -4.0	↓ -12.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	3.2Y	RON 800 mn	RON 800 mn
Thursday	12M	RON 1000 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.41	→ 0.0	→ 0.0
3M ROBOR	0.83	↓ -2.0	↓ -5.0
6M ROBOR	1.12	↓ -4.0	↓ -6.0
1Y ROBOR	1.30	↓ -5.0	↓ -4.0
5Y CDS	113.79	↑ 0.9	↓ -3.6

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5160	↓ -0.16	↓ -0.36
USD/RON	4.1364	↓ -0.43	↓ -0.77
CHF/RON	4.0608	↓ -0.30	↓ -0.97
100HUF/RON	1.4474	↓ -0.69	↓ -0.29

Sources: Reuters, OTP Research

**Summary**

- Banks could tighten credit standards for mortgage loans in Q1, yesterday's NBR lending survey showed.
- Retail trades surged 15.5% YoY in the last month of 2015.
- Despite the negative mood on global financial markets, the RON gained ground compared to the EUR yesterday.
- The yield on the 10Y government bond eased 4 bps on Tuesday.
- The BET declined 0.3%.

Commercial banks may tighten their credit standards for real-estate loans in the case of households, according to the quarterly lending survey of the NBR, released yesterday. This could be the result of uncertainties caused by planned mortgage defaulter law, which aims to limit lenders' rights compared to earlier regulations. We recall that the main driver of the reviving lending activity in recent quarters was based on higher new sales of mortgage loans to households.

In December, the volume index of retail trade slightly increased on month-on-month basis (+0.6%, SWDA data), while compared to the same period of the previous year it surged by 15.5% (gross data), as it was helped by a VAT reduction and increasing net wages. Food sales advanced the most (+25.3% YoY), but the index of non-food products and fuels also went up nicely, by 13.3% YoY and 2.4% YoY. These data suggest that households' consumption most probably remained the main driver of the economy in the last quarter of 2015 too. At the same time, another VAT cut should boost further consumption in the beginning of this year.

The number of tourists' overnight stays increased by 16.3% YoY in December, the NIS said this morning.

Sliding crude oil prices left their mark on global trading sentiment yesterday. Oil futures resumed falling this week, after hopes for a production cut started to fade. In the negative mood, the RON's regional peers mostly weakened against the common European currency, while the leu continued to gain ground, pushing the EUR/RON temporarily below 4.50. At the end of the day, the pair was traded near 4.52. Compared to the US dollar, Romania's leu gained even more, finishing the session around 4.14.

Government securities' fixing rates mostly eased, with the yield on the 10Y maturity dropping the most. At the same time, the ROBOR 3M also decreased by 2 basis points to 0.83%.

Global equity markets were under strong selling pressure on Tuesday, with sharply falling energy and commodity related companies. In Bucharest, the BET index decreased 0.3%, led by the shares of OMW Petrom (-2.2%), but the BVB also slumped 1.9%. On the other hand, the FP closed in the green, presumably also supported by the company's buy-back programme.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
29-Jan	Friday	no data			
1-Feb	Monday	January	FX Reserves, EUR bn	31.7	32.2
2-Feb	Tuesday	December	ILO unemployment rate (% , seasonally adjusted)	6.7	6.7
		December	Producer Price Index (YoY%)	-1.7	-2.6
3-Feb	Wednesday	December	Retail trade (YoY%)	15.5	14.6
		December	Tourists' overnight stays (YoY%)	16.3	17.9
4-Feb	Thursday	no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		1-Feb-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.0329	↓ -5.52	↓	-5.52	↓	-0.13
OTP Obligatiuni	RON	14.3201	↑ 0.44	↑	0.44	↑	3.63
OTP ComodisRO	RON	16.8909	↑ 0.14	↑	0.14	↑	1.58
OTP Euro Bond	EUR	12.4284	↑ 0.21	↑	0.21	↑	3.16
OTP Dollar Bond	USD	10.5964	↑ 0.27	↑	0.27	↑	2.56
OTP Premium Return	RON	1064.4199	↓ -0.69	↓	-0.69	↑	2.36
OTP Euro Premium Return	EUR	9.7441	↓ -0.90	↓	-0.90		n.a.
OTP Global Mix	RON	9.9543	↓ -0.45	↓	-0.45		n.a.

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