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# Daily Report – Romania

Date: 12.02.2016

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,064.63	↑ 0.41	↓ -4.95
BET-TR	6,907.59	↑ 0.41	↓ -4.95
BET-FI	26,604.53	↑ 0.50	↓ -6.09
BET-XT	556.10	↑ 0.39	↓ -5.14
EL	11.3600	↑ 1.61	↓ -1.22
TLV	2.2600	↑ 1.35	↓ -1.74
BRD	9.7600	↓ -1.11	↓ -6.33
TEL	26.8000	↑ 0.37	↓ -3.60
SNG	23.3500	↑ 0.86	↓ -4.30

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.45	→ 0.0	↑ 2.0
12 month	0.60	→ 0.0	↓ -2.0
3 year	1.12	↑ 0.5	↑ 3.5
5 year	2.09	↑ 3.5	↑ 10.0
10 year	3.31	↓ -1.0	↑ 9.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Thursday	6.9Y	RON 500 mn	RON 500 mn
Monday	7M	RON 1000 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.42	↑ 2.0	↑ 3.0
3M ROBOR	0.82	→ 0.0	→ 0.0
6M ROBOR	1.04	→ 0.0	↓ -1.0
1Y ROBOR	1.23	→ 0.0	→ 0.0
5Y CDS	117.39	↑ 0.1	↑ 5.8

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4745	↓ -0.06	↓ -0.40
USD/RON	3.9771	↑ 0.62	↓ -1.26
CHF/RON	4.0728	↑ 0.17	↑ 0.31
100HUF/RON	1.4439	↑ 0.40	↓ -0.62

Sources: Reuters, OTP Research

**Summary**

- The RON finished somewhat stronger compared to the EUR last week.
- Consumer prices fell less than expected in January, after a cut in standard VAT rate.
- Today the Treasury aims to sell RON 1,000 mn debt.
- The BET ended up on Friday.

The National Institute of Statistics published its inflation report for January, pointing to a 2.1% YoY fall in consumer prices, after December's -0.9%. At the same time, the CPI dropped 0.8% on monthly basis, primarily due to the recent reduction of standard VAT from 24% to 20%. Nonetheless, these declines missed expectations, as analysts' consensus stood at -2.7% YoY, suggesting that the pass-through of the tax change was lower than assumed. The prices of non-food goods slipped 1.6% MoM in January, led by fuels (-3.1% MoM) as well as electric energy, natural gas, and central heating (-2.9% MoM), while at services, the decline was at 1.1% MoM, after prices of water, sewerage and sanitation went down by 6.9% MoM.

Financial markets ended Friday on a positive note, after registering heavy declines in the previous days. Among other things, the improved sentiment was helped by a rebound in crude oil prices. In the benign mood, the leu's regional peers, such as the PLN and the HUF gained ground compared to the EUR, while the EUR/RON remained relatively unchanged. Nonetheless, the EUR/RON eased somewhat on weekly basis.

Today the Treasury holds an auction for selling RON 1,000 mn via 7M bills.

Equities performed well on Friday, registering nice gains on both sides of the Atlantic, fuelled by a rally in energy related and banking shares. London's FTSE100 added 3.1%, while the CAC40 and Germany's DAX surged around 2.5% each. The BVB also closed higher, but the main indices' gains were less impressive. The BET added 0.4%, led by Electrica (+1.6%) and Banca Transilvania (+1.4%), while equities' total turnover was quite low, staying below RON 15 mn.

Date		PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
11-Feb	Thursday	December	Turnover of market serv. provided to the population (YoY%)	20.7		16.7
12-Feb	Friday	December	Wholesale turnover index (YoY%)	11.7		6.9
		December	Industrial production (YoY%)	4.0		2.4
		December	Construction works (YoY%)	14.2		9.4
		December	Turnover of market serv. rendered mainly to enterp. (YoY%)	12.6		8.8
		Q4 2015	Flash GDP growth rate (YoY%)	3.7	3.8	3.6
		December	CA balance (EUR mn, YTD)	-1,758		-1,009
15-Feb	Monday	January	Consumer price index (YoY%)	-2.1	-2.7	-0.9
16-Feb	Tuesday	January	New passenger car registrations (YoY%)			56

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		11-Feb-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	7.7399	↓ -5.24	↓ -8.97	↓ -5.33		
OTP Obligatiuni	RON	14.3266	↑ 0.34	↑ 0.48	↑ 3.58		
OTP ComodisRO	RON	16.8979	↑ 0.13	↑ 0.18	↑ 1.56		
OTP Euro Bond	EUR	12.4280	↑ 0.09	↑ 0.20	↑ 3.03		
OTP Dollar Bond	USD	10.6124	↑ 0.39	↑ 0.42	↑ 2.67		
OTP Premium Return	RON	1054.0473	↓ -0.62	↓ -1.66	↓ -0.03		
OTP Euro Premium Return	EUR	9.5382	↓ -2.92	↓ -3.00	n.a.		
OTP Global Mix	RON	9.9721	↓ -0.03	↓ -0.27	n.a.		

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