

Date: 01.03.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,508.04	↑ 1.86	↑ 2.32
BET-TR	7,412.62	↑ 1.86	↑ 2.32
BET-FI	27,709.39	↑ 1.67	↑ 3.03
BET-XT	592.85	↑ 1.64	↑ 2.23
TLV	2.4000	↑ 2.13	↑ 2.56
FP	0.7620	↑ 2.97	↑ 3.67
EL	12.0800	↑ 1.00	↑ 1.17
BRD	10.1000	↑ 1.71	↑ 2.33
SIF3	0.2705	↑ 1.12	↑ 2.66

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.46	↓ -0.5	↑ 0.5
12 month	0.61	→ 0.0	↑ 2.5
3 year	1.18	↑ 0.5	↑ 4.5
5 year	2.22	↑ 2.5	↑ 7.5
10 year	3.35	↑ 0.5	↑ 2.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Wednesday	3.2Y	RON 600 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.41	↑ 1.0	↑ 2.0
3M ROBOR	0.76	→ 0.0	→ 0.0
6M ROBOR	1.03	→ 0.0	↑ 1.0
1Y ROBOR	1.19	→ 0.0	↑ 1.0
5Y CDS	115.60	↓ -0.9	↓ -0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4687	↓ -0.08	↓ -0.18
USD/RON	4.1126	↓ -0.03	↑ 1.26
CHF/RON	4.1230	↑ 0.08	↑ 0.62
100HUF/RON	1.4439	↑ 0.09	↓ -0.64

Sources: Reuters, OTP Research

Summary

- Romania's FX reserves edged down to EUR 30.8 bn in February, from EUR 31.7 bn a month earlier.
- Producer prices fell further in January (-0.6% MoM).
- The EUR/RON inched a bit lower on Tuesday.
- The MoF plans to borrow RON 600 mn today.
- Stocks rallied yesterday, helping the BET to add 1.9%.

The foreign exchange reserves of the NBR decreased by around EUR 850 mn during February, to EUR 30.83 bn. Inflows represented EUR 2.80 bn, out of which a significant part came from the Ministry of Finance's 1.25bn eurobond issue on foreign markets. At the same time, outflows stood at EUR 3.66 bn, after repayments on euro denominated bonds totalled EUR 1.62 bn. The NBR's gold stock was unchanged at 103.7 tonnes.

Producer prices fell 0.6% MoM in January, according to a NIS report published this morning. The movement seems to be driven by the decline of crude oil futures. On yearly basis, producer prices dropped 2.0%, after December's 1.7% fall.

Yesterday the USD continued to strengthen against the common European currency, also helped by healthy car sales data and better-than-expected ISM manufacturing figures in the USA. Simultaneously, the RON and its regional peers gained ground slightly compared to the EUR as well.

On Tuesday, short-term money market rates up to the 1W maturity increased by 1 basis point, but the interest rates on the other benchmarks were flat. Government securities' fixing yields increased by 1-3 bps at the medium and long-term maturities. In March, the Ministry of Finance aims to borrow RON 4 bn and EUR 250 mn, according to the issuance calendar released recently. Today a 3.2Y bond auction will be held, in order to sell RON 600 mn.

Rising oil prices fuelled optimism on equity markets yesterday. In Western Europe, the DAX rallied 2.3%, followed the CAC40's 1.2% gain. The BVB benefited from the cheering sentiment, which sent the BET 1.9% higher. Fondul Proprietatea (+3.0%) and OMW Petrom (+2.5%) advanced the most, but TLV also gained more than 2%. The appetite for risky assets increased in the USA too, supporting equities to go up. As a result, the NASDAQ finished 2.9% higher on Tuesday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
26-Feb	Friday	February	Economic Sentiment Indicator	102.4	104.5
		February	Consumer Confidence Indicator	-20.3	-17.9
29-Feb	Monday	January	Licenses for residential buildings (YoY%)	-14.6	7.1
1-Mar	Tuesday	January	ILO unemployment rate (% , seasonally adjusted)	6.5	6.7
		February	FX Reserves, EUR bn	30.8	31.7
2-Mar	Wednesday	January	Producer Price Index (YoY%)	-2.0	-1.7
3-Mar	Thursday	January	Retail trade (YoY%)		15.5
		January	Tourists' overnight stays (YoY%)		16.3

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		29-Feb-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	7.9684	↓ -0.43	↓	-6.28	↓	-2.90
OTP Obligatiuni	RON	14.3327	↑ 0.13	↑	0.53	↑	3.51
OTP ComodisRO	RON	16.9095	↑ 0.12	↑	0.25	↑	1.57
OTP Euro Bond	EUR	12.4357	↑ 0.07	↑	0.27	↑	2.96
OTP Dollar Bond	USD	10.6312	↑ 0.36	↑	0.60	↑	2.78
OTP Premium Return	RON	1064.7943	↑ 0.25	↓	-0.65	↓	-0.72
OTP Euro Premium Return	EUR	9.5798	↓ -1.78	↓	-2.57		n.a.
OTP Global Mix	RON	10.0255	↑ 0.75	↑	0.26		n.a.

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