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Daily Report – Romania

Date: 03.03.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,563.98	↑ 0.38	↑ 3.13
BET-TR	7,476.34	↑ 0.38	↑ 3.13
BET-FI	28,083.65	↑ 0.89	↑ 3.87
BET-XT	598.47	↑ 0.44	↑ 3.07
TLV	2.4200	↑ 0.83	↑ 3.42
SIF3	0.2720	↓ -0.37	↑ 3.03
FP	0.7670	↑ 0.39	↑ 3.93
SNG	26.8500	↓ -0.19	↑ 3.67
EL	12.3600	↑ 0.49	↑ 4.22

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.48	↑ 1.0	↑ 2.5
12 month	0.61	→ 0.0	↑ 1.0
3 year	1.25	↑ 2.0	↑ 10.0
5 year	2.30	↑ 2.5	↑ 14.5
10 year	3.39	↑ 0.5	↑ 5.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	3.2Y	RON 600 mn	RON 600 mn
Monday	11.4Y	RON 300 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.40	↓ -2.0	→ 0.0
3M ROBOR	0.76	→ 0.0	↑ 1.0
6M ROBOR	1.03	→ 0.0	↑ 1.0
1Y ROBOR	1.20	↑ 1.0	↑ 3.0
5Y CDS	116.48	↓ 0.0	↓ -0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4615	↑ 0.16	↓ -0.14
USD/RON	4.0723	↓ -0.65	↑ 0.48
CHF/RON	4.1044	↓ -0.21	↑ 0.23
100HUF/RON	1.4402	↑ 0.46	↑ 0.38

Sources: Reuters, OTP Research

Summary

- On Thursday, the leu appreciated compared to the USD, but lost some ground against the EUR.
- The MoF borrowed RON 600 mn in 3.2Y bonds yesterday.
- GS's benchmark yields moved up 1-15 bps on weekly basis.
- In contrast to their Western European peers, the BVB indices closed up yesterday.

On Thursday, the US dollar fell sharply compared its main rivals, after less favourable data about the country's services sector saw the light of day. As a result, the EUR/USD finished yesterday's trading around 1.095, helping the RON and its regional peers to appreciate against the US dollar. On the other hand, the CEE region's currencies changed mixed compared to the common European currency, with the leu and Poland's PLN slightly weakening.

Yesterday the Ministry of Finance borrowed RON 600 mn in bonds maturing in April 2019 at a higher cost, after the average accepted yield increased by 28 bps to 1.90%. At the beginning of February, the MoF sold securities with the same maturity on 1.62% yield. The demand was somewhat lower than at the previous few auctions, as nine primary dealers subscribed to RON 943 mn, which translates into a 1.6 bid-to-cover ratio. The next government security auction is planned for 7 March.

The yield curve moved higher by 1 basis point on average yesterday, with the 5Y maturity showing the largest increase (3 bps). On weekly basis, the benchmark government securities' yields inched up 1-15 bps.

Despite the rather unfavourable European market sentiment, the BVB indices were able to register modest gains. The BET's investment fund index, the BET-FI performed quite well, supported primarily by SIF Oltenia (+1.8%) and SIF Banat Crisana (+1.7%). At the same time, the BET also added 0.4%, led by the shares of Transgaz (+1.1%), OMW Petrom (+0.8%) and Banca Transilvania (+0.8%). Nevertheless, Transelectrica ended sharply lower (-1.5%), showing the weakest performance among the BET's components. US equity benchmarks started the day in the red zone, but finished the session with slight gains.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
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%)	15.6	15.5
		January	Tourists' overnight stays (YoY%)	15.9	16.3
4-Mar	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		2-Mar-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.0825	↑ 0.62	↓ -4.94	↓ -1.38		
OTP Obligatiuni	RON	14.3306	↑ 0.04	↑ 0.51	↑ 3.48		
OTP ComodisRO	RON	16.9109	↑ 0.11	↑ 0.26	↑ 1.57		
OTP Euro Bond	EUR	12.4414	↑ 0.09	↑ 0.31	↑ 2.99		
OTP Dollar Bond	USD	10.6329	↑ 0.35	↑ 0.61	↑ 2.79		
OTP Premium Return	RON	1068.0833	↑ 0.37	↓ -0.35	↓ -0.48		
OTP Euro Premium Return	EUR	9.6118	↓ -1.43	↓ -2.25	n.a.		
OTP Global Mix	RON	10.0263	↑ 0.65	↑ 0.27	n.a.		

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