

Date: 10.03.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,615.30	↓ -0.35	↑ 0.78
BET-TR	7,534.78	↓ -0.35	↑ 0.78
BET-FI	28,157.55	↑ 0.37	↑ 0.26
BET-XT	603.65	↓ -0.25	↑ 0.87
TLV	2.4200	↓ -1.22	↔ 0.00
FP	0.7550	↑ 0.40	↓ -1.56
SIF3	0.2820	↑ 0.36	↑ 3.68
BRD	10.6000	↑ 1.15	↑ 3.11
EL	12.3400	↓ -0.16	↓ -0.16

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.46	↓ -1.5	↓ -1.5
12 month	0.62	↔ 0.0	↑ 0.5
3 year	1.25	↑ 0.5	↔ 0.0
5 year	2.28	↑ 0.0	↓ -2.5
10 year	3.33	↓ -2.0	↓ -5.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	11.4Y	RON 300 mn	RON 316 mn
Thursday	5Y	EUR 250 mn	EUR 275 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.39	↔ 0.0	↓ -1.0
3M ROBOR	0.77	↔ 0.0	↑ 1.0
6M ROBOR	1.02	↓ -1.0	↓ -1.0
1Y ROBOR	1.19	↓ -1.0	↓ -1.0
5Y CDS	116.50	↑ 0.0	↑ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4640	↑ 0.07	↑ 0.06
USD/RON	3.9936	↓ -1.54	↓ -1.93
CHF/RON	4.0547	↓ -0.28	↓ -1.21
100HUF/RON	1.4334	↓ -0.63	↓ -0.47

Sources: Reuters, OTP Research

Summary

- The ECB announced a set of new stimulus measures.
- Consumer prices fell more than expected (-2.7% YoY vs. -2.3% YoY) in February.
- The EUR/RON climbed slightly higher on Thursday.
- Yesterday the Treasury sold EUR 275 mn in 5Y government securities.
- Romanian stocks moved in mixed directions on Thursday.

In order to boost the eurozone's economy and raise inflation, the European Central Bank decided to cut the interest rate on its main refinancing operations and on the marginal lending facility by 5 bps to 0% and 0.25% respectively. Simultaneously, it also reduced the interest on the deposit facility to -0.40%, from -0.30%. In addition, the ECB expanded the monthly asset purchase programme by EUR 20 bn, to EUR 80 bn starting from April 2016, also completing the list of eligible assets by investment grade bonds of non-bank corporations. Furthermore, the Governing Council announced a new series of longer-term refinancing operations. At the same time, the ECB staff's revised macroeconomic projections were also revealed on Thursday. Both GDP growth perspectives and inflation expectations were lowered for 2016. The report points to a slowly accelerating growth path over the next three years, with an economic advance of 1.4% for this year, 1.7% in 2017 and 1.8% in 2018. Meanwhile, the annual HICP inflation rate may post 0.1% in 2016, before 2017's 1.3% and 2018's 1.6%.

Romania's inflation rate came in lower than expected, registering a 2.7% YoY drop in February (Reuters consensus: -2.3% YoY), after January's -2.1% YoY. On monthly basis, the CPI fell 0.2%, first of all due to the prices of services, which were dragged down by telephone charges (-4.2% MoM) as well as by the group of water, sewerage and sanitation (-1.4% MoM). Moreover, fuel prices also slipped 1.3% MoM, weighing on non-foods (-0.3% MoM), while food's prices increased by 0.3% MoM.

After the ECB policy decisions were made public, the EUR/USD started to fall sharply, but the pair changed drastically direction when President Mario Draghi said that further interest rate reductions are not anticipated. The EUR/USD finished yesterday's trading around 1.6% higher, not too far from 1.12. The RON and its CEE region's peers initially firmed against the EUR as well, but they ended the day somewhat weaker compared to the common European currency.

The Treasury sold slightly more than planned in 5Y bonds on 1.00% average yield, after commercial banks subscribed for EUR 329 mn.

European stocks were hit by the euro's strength on Thursday. As a result, the key indices dipped 1.7%-2.3%, while crude oil prices also fell. In Bucharest, investors' sentiment deteriorated during the day too, sending the BET index 0.4% lower. Nevertheless, the individual components of the main benchmark showed a very mixed picture, with the shares of BVB surging 1.5% and with OMW Petrom giving back 1.9%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
11-Mar	Friday	February	Consumer price index (YoY%)	-2.7	-2.3	-2.1
		January	Exports (FOB, YoY%)	-1.6		3.8
	January	Imports (CIF, YoY%)	3.1		12.4	
		Industrial trade turnover index (YoY%)	-1.7		4.4	
		Index value of new orders in manufacturing (YoY%)	-3.7		6.1	
14-Mar	Monday	January	Turnover of market serv. provided to the population (YoY%)		12.6	
	January	Industrial production (YoY%)			4.0	

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		9-Mar-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.1344	↑ 3.74	↓ -4.33	↓ -0.52		
OTP Obligatiuni	RON	14.3386	↑ 0.05	↑ 0.57	↑ 3.49		
OTP ComodisRO	RON	16.9158	↑ 0.11	↑ 0.29	↑ 1.56		
OTP Euro Bond	EUR	12.4452	↑ 0.12	↑ 0.34	↑ 2.98		
OTP Dollar Bond	USD	10.6359	↑ 0.26	↑ 0.64	↑ 2.80		
OTP Premium Return	RON	1069.5958	↑ 1.09	↓ -0.20	↓ -0.55		
OTP Euro Premium Return	EUR	9.6108	↑ 0.24	↓ -2.26	n.a.		
OTP Global Mix	RON	10.0532	↑ 0.73	↑ 0.54	n.a.		

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