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Daily Report – Romania

Date: 23.03.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,773.03	↓ -0.14	↑ 1.29
BET-TR	7,714.45	↓ -0.14	↑ 1.29
BET-FI	28,336.09	↓ -0.38	↓ -0.35
BET-XT	613.53	↓ -0.15	↑ 0.75
TLV	2.6900	→ 0.00	↑ 8.03
FP	0.7750	↓ -0.51	↑ 0.65
SNP	0.2470	→ 0.00	↓ -3.14
BRD	10.3200	↑ 0.19	↓ -0.96
SNG	27.0000	→ 0.00	↑ 0.56

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.47	↓ -1.5	→ 0.0
12 month	0.61	↑ 0.5	↑ 1.0
3 year	1.19	↑ 0.5	↑ 1.0
5 year	2.51	↑ 30.5	↑ 28.0
10 year	3.29	↑ 0.5	↓ -1.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	1Y	RON 1000 mn	RON 1000 mn
Thursday	8.9Y	RON 300 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.40	→ 0.0	↓ -1.0
3M ROBOR	0.80	↑ 1.0	↑ 1.0
6M ROBOR	1.03	↓ -1.0	↓ -1.0
1Y ROBOR	1.21	→ 0.0	↓ -1.0
5Y CDS	113.12	↓ -1.1	↓ -2.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4684	↑ 0.07	↓ -0.27
USD/RON	3.9956	↑ 0.41	↑ 0.09
CHF/RON	4.0940	↓ -0.10	↑ 0.17
100HUF/RON	1.4274	↓ -0.29	↓ -0.81

Sources: Reuters, OTP Research

Summary

- In February, non-government loans grew by 2.4% YoY.
- The EUR/RON climbed marginally higher yesterday.
- Today the MoF holds a bond auction in order to sell RON 300 mn debt.
- The BET closed slightly lower on Wednesday.

Non-government loans expanded by 2.4% YoY in February 2016, reaching RON 215.3 bn, the National Bank of Romania revealed yesterday. A month earlier, the growth rate of private credit stood at 2.8% YoY. Similarly to the trends seen last year, RON-denominated loans remained the main drivers of the increase (+20.7% YoY) and FX loans continued to fall sharply (around -13% on FX adjusted basis). The deposits of non-government clients grew further to RON 250.7 bn in February, pointing to a 9.5% YoY gain. At the same time, the most liquid component of broad money, the so called M1, which consist of overnight deposits and currency in circulation, surged 25.5% YoY.

Yesterday the RON weakened marginally compared to the EUR, but it lost more ground against the US dollar, as the EUR/USD continued to slip, ending the day below 1.12. This came after hawkish comments from Fed officials and the spillover effect of Tuesday's terror attacks. In the CEE region, the HUF weakened the most versus Europe's single currency again, still on the back of the earlier than expected base rate cut of the country's central bank.

On Wednesday, the yield on the 5Y maturity jumped 31 bps to 2.51%, while the other benchmark yields showed limited movements. Today the Ministry of Finance aims to hold an auction to sell RON 300 mn debt in 8.9Y bonds.

Stocks in Western Europe closed mixed, after falling crude oil prices weighed on the market. The DAX registered 0.3% gain and London's FTSE also added 0.1%, but France's key index, the CAC40 shed 0.2%. Simultaneously, all of the BVB indices finished slightly down. On the other hand, the traded volumes (RON 51.6 mn) remained well above this year's average, boosted by the shares of Banca Carpatica (RON 21.6 mn). In the USA, the main equity benchmarks fell, led by the energy sector. Tomorrow, US stock markets will be closed due to Good Friday holiday.

Note: the next Romanian Daily Report will be issued on 29 March.

Date	PERIOD	INDICATOR	FACT	CONSENSUS PREVIOUS	
21-Mar	Monday		no data		
22-Mar	Tuesday		no data		
23-Mar	Wednesday	February	M3 (broad money, YoY%)	9.7	9.5
		February	Non-government loans (YoY%)	2.4	2.8
		February	Non-government deposits (YoY%)	9.5	8.8
		February	New commercial vehicle registrations (YoY%)	54.7	33.9
24-Mar	Thursday		no data		
25-Mar	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		22-Mar-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.2083	↑ 3.13	↓ -3.46	↑ 3.34		
OTP Obligatiuni	RON	14.3676	↑ 0.26	↑ 0.77	↑ 3.59		
OTP ComodisRO	RON	16.9251	↑ 0.12	↑ 0.34	↑ 1.57		
OTP Euro Bond	EUR	12.4712	↑ 0.34	↑ 0.55	↑ 3.14		
OTP Dollar Bond	USD	10.6592	↑ 0.35	↑ 0.86	↑ 2.98		
OTP Premium Return	RON	1072.2896	↑ 0.88	↑ 0.05	↓ -0.42		
OTP Euro Premium Return	EUR	9.6181	↑ 0.69	↓ -2.18	n.a.		
OTP Global Mix	RON	10.0534	↑ 0.55	↑ 0.54	n.a.		

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