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Daily Report – Romania

Date: 01.04.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,705.17	↓ -0.48	↓ -0.75
BET-TR	7,637.15	↓ -0.48	↓ -0.75
BET-FI	27,962.97	↓ -0.50	↓ -1.34
BET-XT	608.25	↓ -0.50	↓ -0.76
BRD	10.3600	↓ -1.15	↑ 0.39
FP	0.7650	↓ -0.78	↓ -1.42
TLV	2.7000	↑ 0.37	↑ 1.31
EL	12.2000	↓ -0.81	↓ -1.93
SIF2	0.7440	↑ 0.40	↓ -1.98

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.45	↑ 0.5	↓ -0.5
12 month	0.59	↓ -0.5	↓ -1.0
3 year	1.16	⇒ 0.0	↓ -2.5
5 year	2.56	↓ -0.5	↓ -0.5
10 year	3.30	⇒ 0.0	↓ -2.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5Y	RON 500 mn	RON 500 mn
Monday	1Y	RON 1000 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.43	↓ -1.0	↑ 1.0
3M ROBOR	0.78	⇒ 0.0	⇒ 0.0
6M ROBOR	1.03	↓ -1.0	↑ 1.0
1Y ROBOR	1.20	↑ 1.0	↑ 1.0
5Y CDS	107.05	↑ 0.5	↓ -5.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4690	↓ -0.04	↑ 0.12
USD/RON	3.9239	↓ -0.17	↓ -1.84
CHF/RON	4.0975	↑ 0.35	↑ 0.21
100HUF/RON	1.4247	↓ -0.01	↑ 0.12

Sources: Reuters, OTP Research

Summary

- In March, the FX reserve of the NBR climbed almost EUR 0.5 bn higher.
- Producer prices slumped heavily in February (-1.0% MoM and -3.3% YoY).
- The EUR/RON ended last week slightly higher.
- Romanian stock mostly finished in the red zone in both daily and weekly comparison.

In March, the NBR's foreign exchange reserves increased to EUR 31,282 mn, up from February's EUR 30,825 mn, as inflows represented EUR 1,389 mn, outpacing outflows of EUR 932 mn. One year earlier, the central bank's FX reserve stood at EUR 30,599 mn. Simultaneously, the gold stock stood at 103.7 tonnes last month, remaining unchanged compared to the previous periods.

Producer prices fell sharply in February (-1.0% MoM and -3.3% YoY), according to a report of the National Institute of Statistics, published this morning. The fall was primarily due to the energy industry, where the index dropped by 3.0% MoM and 11.7% YoY. By sections, prices dipped the most in the case of manufacture of coke and refined petroleum products (-10.5% MoM and -35.8% YoY).

Similarly to the Hungarian forint, the RON slightly strengthened against Europe's single currency on Friday, ending the day not too far from 4.47. Nevertheless, the EUR/RON turned around 0.1% higher on weekly basis. Compared to the USD, Romania's leu appreciated on Friday, despite the better-than-expected US non-farm payroll data, which pointed to a 215,000 gain in the number of new jobs. Although the revealed statistics suggested that the US economy continues to be in a good shape, according to market expectations this would not alter the Fed's "cautious" approach in raising interest rates. Hence, the EUR/USD remained in the vicinity of 1.14 on Friday.

In weekly comparison, government securities' yield curve shifted down around one basis point on average.

Despite the fall in crude oil prices, US stocks performed quite well on Friday, supported by favourable macroeconomic data. On the other hand, European stocks finished in negative territory, with the DAX giving back 1.7%. Romanian equities followed the Western European trends, pushing the BET index 0.5% lower. The other key index of the BVB, the BET-FI also lost 0.5%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
30-Mar	Wednesday	February	Licenses for residential buildings (YoY%)	11.6	-14.6
		March	Economic Sentiment Indicator	102.8	102.4
		March	Consumer Confidence Indicator	-20.2	-20.3
31-Mar	Thursday	April	Base rate decision (%)	1.75	1.75
1-Apr	Friday	February	ILO unemployment rate (% , seasonally adjusted)	6.5	6.5
		February	Tourists' overnight stays (YoY%)	16.9	15.9
		March	FX Reserves, EUR bn	31.3	30.8
4-Apr	Monday	February	Producer Price Index (YoY%)	-3.3	-2.1
5-Apr	Tuesday	February	Retail trade (YoY%)		15.6

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		31-Mar-16					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	8.2311	↑	3.30	↓	-3.19	↑ 2.70
OTP Obligatiuni	RON	14.3790	↑	0.32	↑	0.85	↑ 3.60
OTP ComodisRO	RON	16.9306	↑	0.12	↑	0.38	↑ 1.55
OTP Euro Bond	EUR	12.4798	↑	0.35	↑	0.62	↑ 3.18
OTP Dollar Bond	USD	10.6696	↑	0.36	↑	0.96	↑ 3.02
OTP Premium Return	RON	1075.8192	↑	1.04	↑	0.38	↓ -0.12
OTP Euro Premium Return	EUR	9.6131	↑	0.35	↓	-2.23	n.a.
OTP Global Mix	RON	10.0652	↑	0.40	↑	0.66	n.a.

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