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Daily Report – Romania

Date: 04.04.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,732.01	↑ 0.40	↓ -0.31
BET-TR	7,667.72	↑ 0.40	↓ -0.31
BET-FI	28,002.69	↑ 0.14	↓ -1.01
BET-XT	610.24	↑ 0.33	↓ -0.37
TLV	2.7550	↑ 2.04	↑ 2.99
EL	12.2000	→ 0.00	↓ -1.29
FP	0.7650	→ 0.00	↓ -1.42
TGN	274.0000	↑ 1.86	↑ 1.86
SNP	0.2380	↓ -0.42	↓ -1.65

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.45	↓ -0.5	↓ -1.0
12 month	0.59	↑ 0.5	→ 0.0
3 year	1.15	↓ -0.5	↓ -3.0
5 year	2.55	↓ -1.0	↓ -3.0
10 year	3.28	↓ -2.0	↓ -4.5

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	0.42	↓ -1.0	→ 0.0
3M ROBOR	0.78	→ 0.0	→ 0.0
6M ROBOR	1.03	→ 0.0	↑ 1.0
1Y ROBOR	1.19	↓ -1.0	→ 0.0
5Y CDS	106.60	↓ -0.5	↓ -6.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4660	↓ -0.07	↑ 0.11
USD/RON	3.9199	↓ -0.10	↓ -1.63
CHF/RON	4.0882	↓ -0.23	↓ -0.10
100HUF/RON	1.4303	↑ 0.40	↑ 0.47

Sources: Reuters, OTP Research

Summary

- February's retail trade went ballistic, registering 21.8% annual gain.
- Yesterday the EUR/RON and the USD/RON inched a bit lower.
- The MoF sold RON 1.0 bn on the first GS auction in April.
- On Monday, the BET's components moved in mixed directions.

The volume index of retail trade pointed to a definitely strong growth in February in both year-over-year (+21.8%, gross data) and month-over-month comparison (+1.9%, SWDA data). The uptrend was supported by all of the three main segments of retail trade, after fuel sales surged 4.1% MoM, presumably helped by lower prices at the petrol pumps too, while non-food products also advanced 2.7% MoM. Simultaneously, the turnover of foods increased 0.6% MoM as well. Today's fresh data confirm that household consumption most probably started the year on a very strong note, getting a boost from double-digit gains of real wages and a new round of VAT reductions. Tomorrow, average wage statistics for February will see the light of day.

In line with the CEE region's currencies, the RON became mildly stronger versus the EUR and firmed around 0.1% compared to the US dollar.

In April, the Ministry of Finance plans to borrow around RON 4.2 bn via T-bills and government bonds, according to the recently published issuance calendar. This sum is similar to March's level. The first auction of the month took place yesterday, when commercial banks showed high interest in purchasing 1Y treasury certificates, as nine primary dealers submitted offers, exceeding RON 2.6 bn. Amid the healthy demand, the Ministry of Finance sold the planned amount of RON 1.0 bn at 0.66% average yield, which is slightly lower than two weeks earlier (0.68%), when a similar auction was held.

At the same time, government securities' reference rates mostly decreased on Monday, with the yield on the 10Y benchmark slipping two basis points. Overall, the slope of the yield curve eased. Nonetheless, money market rates showed little variation yesterday.

All of the BVB's indices moved slightly up on Monday, with the BET gaining 0.4%, as the shares of Transelectrica (+2.8%), Banca Transilvania (+2.0%) and Transgaz (+1.9%) fared well. Nonetheless, the other components of the main index were flat or dipped. The BET's performance was in line with the modest gains showed by the Western European equity benchmarks. On the other hand, America's key stocks indices were dragged down by a fresh drop in crude oil prices, and registered losses between 0.3% and 0.5%

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
31-Mar	Thursday	April	Base rate decision (%)	1.75	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%)	21.8		15.7
6-Apr	Wednesday	February	Net wage growth rate (YoY%)			11.7

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		1-Apr-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.1884	↑ 1.77	↓ -3.69	↑ 1.88		
OTP Obligatiuni	RON	14.3814	↑ 0.32	↑ 0.87	↑ 3.61		
OTP ComodisRO	RON	16.9312	↑ 0.12	↑ 0.38	↑ 1.55		
OTP Euro Bond	EUR	12.4819	↑ 0.33	↑ 0.64	↑ 3.19		
OTP Dollar Bond	USD	10.6721	↑ 0.37	↑ 0.98	↑ 3.04		
OTP Premium Return	RON	1074.1864	↑ 0.57	↑ 0.22	↓ -0.49		
OTP Euro Premium Return	EUR	9.6088	↑ 0.04	↓ -2.28	n.a.		
OTP Global Mix	RON	10.0470	↑ 0.17	↑ 0.48	n.a.		

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