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Daily Report – Romania

Date: 11.04.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,711.92	↓ -0.25	↓ -0.30
BET-TR	7,644.85	↓ -0.25	↓ -0.30
BET-FI	27,905.50	↓ -0.07	↓ -0.35
BET-XT	608.35	↓ -0.20	↓ -0.31
TLV	2.7500	↓ -0.18	↓ -0.18
BRD	9.9800	↓ -0.40	↓ -2.16
SNG	26.7500	↓ -0.74	↑ 0.19
SNP	0.2350	→ 0.00	↓ -1.26
FP	0.7600	↓ -0.65	↓ -0.65

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.45	→ 0.0	↑ 0.5
12 month	0.58	↑ 0.5	↓ -1.0
3 year	1.13	↑ 0.5	↓ -2.0
5 year	2.54	↑ 0.5	↓ -0.5
10 year	3.32	→ 0.0	↑ 3.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.9Y	RON 600 mn	RON 600 mn
Thursday	6.7Y	RON 500 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.42	→ 0.0	→ 0.0
3M ROBOR	0.76	↓ -1.0	↓ -2.0
6M ROBOR	1.02	↓ -1.0	↓ -1.0
1Y ROBOR	1.17	↓ -2.0	↓ -2.0
5Y CDS	108.38	↓ 0.0	↑ 1.8

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4675	↓ 0.00	↑ 0.03
USD/RON	3.9140	↓ -0.08	↓ -0.15
CHF/RON	4.1036	↓ -0.18	↑ 0.38
100HUF/RON	1.4322	↑ 0.27	↑ 0.13

Sources: Reuters, OTP Research

Summary

- Industrial output increased in February by 0.8% YoY, after January's disappointing performance.
- In line with its regional peers, the RON strengthened somewhat compared to the USD on Monday.
- The MoF sold the planned RON 600 mn in 3.9Y bonds on 2.17% average yield.
- Yesterday, the BET eased 0.3% on above-average volumes.

After a definitely weak start in the first month of the year, Romania's industrial production increased in February, adding 1.0% MoM (seasonally and working day adjusted data) and 0.8% YoY (gross data). The improvement was due to the manufacturing sector, which edged up 1.8% MoM and 2.3% YoY, while the segment of electricity, gas, steam and air conditioning supply fell 6.8% MoM and 7.5% YoY.

In yesterday's modestly benign mood, the CEE region's currencies slightly firmed against the euro, and gained somewhat more ground versus the US dollar. At the same time, the EUR/RON was traded a relatively narrow range similarly to last week, finishing close to 4.47.

Yesterday the Ministry of Finance sold the announced amount of RON 600 mn amid healthy demand. Primary dealers subscribed for almost RON 1.24 bn, lifting the bid-to-cover ratio above 2x. Nonetheless, the average accepted yield climbed marginally higher (2.17%) compared to the previous similar auction (2.14%), held in the middle of March.

Bucharest's BET index did not benefit from the fairly positive trading sentiment of Western European markets and slipped by 0.3% to 6,712 points, mostly in line with its rivals from the CEE region. The individual components of the benchmark index moved in different directions, with five stocks dipping into negative territory, two companies remaining unchanged and the other three climbing higher. The shares of Nuclearelectrica were the best performers of the BET, adding 1.3%. The picture was quite mixed in the case of the BET-FI too, which eased around 0.1%, led by the 0.7% loss of Fondul Proprietatea. Meanwhile, equities' total turnover rose to RON 33 mn, exceeding this year's average of RON 26 mn, after it was supported by several transactions on the deal market as well. On the other side of the Atlantic, US stocks posted modest losses at the end of the session, erasing their earlier gains.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
7-Apr	Thursday	no data			
8-Apr	Friday	Q4 2015	Detailed GDP growth rate (YoY%, provisional data 2)	3.8	3.7
11-Apr	Monday	March	Consumer price index (YoY%)	-3.0	-3.0
		February	Exports (FOB, YoY%)	9.5	-1.6
		February	Imports (CIF, YoY%)	13.4	3.1
12-Apr	Tuesday	February	Industrial production (YoY%)	0.8	-1.8
		February	Industrial trade turnover index (YoY%)	6.6	-1.7
		February	Index value of new orders in manufacturing (YoY%)	8.7	-3.7
13-Apr	Wednesday	February	Turnover of market serv. provided to the population (YoY%)		14.0
		February	CA balance (EUR mn, YTD)		168

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		8-Apr-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.2216	↑ 1.11	↓	-3.30	↑	1.75
OTP Obligatiuni	RON	14.3943	↑ 0.39	↑	0.96	↑	3.64
OTP ComodisRO	RON	16.9358	↑ 0.12	↑	0.41	↑	1.55
OTP Euro Bond	EUR	12.4931	↑ 0.38	↑	0.73	↑	3.24
OTP Dollar Bond	USD	10.6825	↑ 0.44	↑	1.08	↑	3.09
OTP Premium Return	RON	1076.8064	↑ 0.72	↑	0.47	↓	-0.25
OTP Euro Premium Return	EUR	9.6422	↑ 0.48	↓	-1.94		n.a.
OTP Global Mix	RON	10.0955	↑ 0.43	↑	0.96		n.a.

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