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Daily Report – Romania

Date: 21.04.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,576.37	↓ -0.81	↓ -2.31
BET-TR	7,490.45	↓ -0.81	↓ -2.31
BET-FI	27,417.62	↓ -1.28	↓ -1.63
BET-XT	595.15	↓ -0.92	↓ -2.41
SNG	24.8500	↓ -4.61	↓ -7.62
TLV	2.6300	↓ -1.68	↓ -3.66
EL	12.4000	↑ 1.64	↑ 1.31
FP	0.7610	↑ 0.13	↓ -0.13
BRD	9.9900	↓ -0.70	↓ -0.50

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.47	⇒ 0.0	↑ 2.0
12 month	0.60	⇒ 0.0	↑ 1.5
3 year	1.14	↑ 1.0	↑ 2.0
5 year	2.61	↑ 2.5	↑ 7.0
10 year	3.50	↑ 3.0	↑ 18.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	11.3Y	RON 200 mn	RON 209.6 mn
Thursday	3.0Y	RON 600 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.41	↓ -1.0	⇒ 0.0
3M ROBOR	0.78	⇒ 0.0	↑ 1.0
6M ROBOR	1.03	↑ 1.0	↑ 1.0
1Y ROBOR	1.18	⇒ 0.0	↓ -1.0
5Y CDS	106.16	↑ 0.0	↓ -1.8

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4793	↓ -0.06	↑ 0.19
USD/RON	3.9650	↑ 0.52	↑ 0.01
CHF/RON	4.0797	↓ -0.44	↓ -0.52
100HUF/RON	1.4503	↑ 0.29	↑ 0.89

Sources: Reuters, OTP Research

Summary

- The CEE region's currencies mostly appreciated against the EUR, ahead of today's ECB rate-setting meeting.
- The yield curve steepened further on Wednesday.
- Today the Treasury aims to keep an auction to sell RON 600 mn debt.
- Even though European stocks inched higher, the BET shed 0.8% yesterday.

One day before the European Central Bank's policy meeting the EUR/USD came down slightly, to around 1.13 and most currencies of the CEE region also firmed against the EUR yesterday. In the first half of the day, Romania's leu was under selling pressure compared to the common European currency, but it marked a turnaround later, pushing the pair somewhat lower, to the vicinity of 4.48.

The yield curve of government securities continued to get steeper yesterday, as the yield on the 6M and 1Y maturities remained unchanged, but the yields for medium and long-term securities inched higher, by 1-3 bps. On weekly basis, the mid rate of the 10Y benchmark climbed the most, rising by 19 bps to 3.50%. Fixed income investors became more cautious since last week, when Romania's Parliament approved the final version of the debt discharge law (on 13 April) with retroactive applicability. It is worth to note that the government deficit is also set to increase sharply this year, after several easing measures were implemented.

Today the Treasury plans to borrow RON 600 mn in bonds with a residual maturity of three years.

Oil future prices surged on Wednesday, after US crude production data were revealed, helping global stock markets to close slightly higher. Germany's DAX index fared quite well, rising 0.7%, while Paris' CAC40 advanced 0.6% too. On the other hand, Romanian equities' finished mostly in the red. Accordingly, the BET posted a 0.8% loss, the weakest performance in the CEE region. Energy company Romgaz fell 4.6% yesterday, after FP announced to sell a large packet in Romgaz shares.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
18-Apr	Monday		no data		
19-Apr	Tuesday		no data		
20-Apr	Wednesday		no data		
21-Apr	Thursday		no data		
22-Apr	Friday		New commercial vehicle registrations (YoY%)		54.7

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		19-Apr-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.1200	↓ -1.45	↓	-4.50	↓	-2.82
OTP Obligatiuni	RON	14.4009	↑ 0.26	↑	1.01	↑	3.62
OTP ComodisRO	RON	16.9428	↑ 0.12	↑	0.45	↑	1.54
OTP Euro Bond	EUR	12.4998	↑ 0.25	↑	0.78	↑	3.25
OTP Dollar Bond	USD	10.6911	↑ 0.33	↑	1.16	↑	3.13
OTP Premium Return	RON	1072.5600	↑ 0.04	↑	0.07	↓	-1.25
OTP Euro Premium Return	EUR	9.6526	↑ 0.31	↓	-1.83		n.a.
OTP Global Mix	RON	10.0517	↓ -0.13	↑	0.53		n.a.

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