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Daily Report – Romania

Date: 03.05.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,405.92	↓ -0.65	↓ -2.44
BET-TR	7,321.65	↓ -0.64	↓ -2.10
BET-FI	26,301.02	↓ -1.46	↓ -3.68
BET-XT	577.22	↓ -0.74	↓ -2.86
SNG	22.7500	↓ -3.19	↓ -8.63
FP	0.7430	↓ -0.67	↓ -1.72
BRD	9.4000	↑ 1.84	↓ -5.05
TLV	2.6500	↓ -1.30	→ 0.00
EL	12.2200	↑ 0.16	↑ 0.99

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.47	↑ 1.0	↑ 1.0
12 month	0.59	↓ -0.5	↓ -0.5
3 year	1.84	↓ -0.5	↑ 1.5
5 year	2.68	↓ -0.5	↑ 4.5
10 year	3.61	↓ -3.0	↑ 3.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	1.0Y	RON 1000 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.51	↓ -3.0	↑ 4.0
3M ROBOR	0.76	→ 0.0	↓ -1.0
6M ROBOR	1.01	→ 0.0	↓ -1.0
1Y ROBOR	1.16	→ 0.0	↓ -1.0
5Y CDS	106.05	↓ 0.0	↓ -0.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4898	↑ 0.06	↑ 0.42
USD/RON	3.9081	↑ 0.46	↓ -1.29
CHF/RON	4.0940	↑ 0.44	↑ 0.66
100HUF/RON	1.4389	↓ -0.21	↑ 0.16

Sources: Reuters, OTP Research

Summary

- In March, producer prices increased by 0.4% MoM, but declined 3.4% in annual terms.
- The NBR's FX reserve has increased by EUR 0.2 bn to EUR 31.5 bn.
- Retail trade continued its upward trend in March.
- In line with its CEE region's peers, the RON weakened against the EUR yesterday.
- On Tuesday, the BET fell in the unsupportive market sentiment.

In March, industrial production prices rose by 0.4% MoM, the National Institute of Statistics said yesterday. The monthly advance was primarily due to the 0.7% MoM increase in the case of prices for foreign markets, while on the domestic front, the index grew by 0.2% MoM. Nevertheless, in yearly comparison prices remained in negative territory on the back of the downturn in commodities prices, pointing to a 3.4% YoY decline, after February's 3.3% fall.

Last month, the foreign exchange reserve of the National Bank of Romania increased by EUR 0.19 bn, to EUR 31.47 bn, according to the central bank's press release published on Tuesday.

The volume index of retail trade continued to increase, registering a 0.5% MoM gain (seasonally and working day adjusted data) in March. At the same time, sales advanced by 19.3% (gross data) on annual basis, slightly less than in February (+21.8%). In the period of January-March retail trade rose by around 19% YoY on average, suggesting that households' expenditures might strengthen even further in the first quarter of the year. It may be worth noting that the minimum wage was raised by 19%, starting from 1 May, presumably translating into a newer boost in households' consumption.

News about the falling manufacturing activity in China contributed to reviving concerns on global growth perspectives, while sliding oil prices also weighed on yesterday's trading sentiment. In the pessimistic mood, the EUR/RON turned North, in line with the EUR/PLN and the EUR/HUF, finishing at a three-month high, close to 4.49. Simultaneously, the EUR/USD showed large swings, going up as high as 1.16, but ending the day in the vicinity of 1.15.

Similarly to its main global peers, the BET closed in red zone, giving back 0.7%, after Romgaz and Nuclearelectrica slid more than 3% each. On the other hand, the shares of the BRD and the TGN recorded nice gains (1.8% and 1.9% respectively). European stocks suffered from the unsupportive sentiment, while the strong EUR put also pressure on the key indices, sending the export-heavy DAX index 1.9% lower, but the equity benchmarks finished in negative territory in the USA as well.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
29-Apr	Friday	March	ILO unemployment rate (% , seasonally adjusted)		
			6.4		6.5
3-May	Tuesday	March	Producer Price Index (YoY%)		
		April	FX Reserves, EUR bn		
			-3.4		-3.3
			31.5		31.3
4-May	Wednesday	March	Retail trade (YoY%)		
			19.3		21.8
5-May	Thursday	March	Tourists' overnight stays (YoY%)		
		May	Base rate decision (%)		
			16.9		1.8

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		29-Apr-16				
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%	
OTP AvantisRO	RON	7.9493	↓ -2.78	↓ -6.50	↓ -4.63	
OTP Obligatiuni	RON	14.4047	↑ 0.21	↑ 1.03	↑ 3.58	
OTP ComodisRO	RON	16.9496	↑ 0.12	↑ 0.49	↑ 1.53	
OTP Euro Bond	EUR	12.4975	↑ 0.16	↑ 0.76	↑ 3.22	
OTP Dollar Bond	USD	10.7013	↑ 0.34	↑ 1.26	↑ 3.20	
OTP Premium Return	RON	1065.8122	↓ -0.74	↓ -0.56	↓ -1.77	
OTP Euro Premium Return	EUR	9.6352	↑ 0.15	↓ -2.01	n.a.	
OTP Global Mix	RON	9.9953	↓ -0.49	↓ -0.04	n.a.	

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