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Daily Report – Romania

Date: 10.05.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,474.84	↑ 0.16	↑ 1.08
BET-TR	7,401.05	↑ 0.16	↑ 1.08
BET-FI	25,760.95	↓ -0.15	↓ -2.05
BET-XT	580.91	↑ 0.10	↑ 0.64
FP	0.7270	↑ 0.41	↓ -2.15
TLV	2.7400	⇒ 0.00	↑ 3.40
SNG	23.2500	↓ -0.43	↑ 2.20
EL	12.1600	↓ -0.16	↓ -0.49
SNP	0.2310	↑ 0.65	↑ 1.32

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.46	↓ -1.0	↓ -0.5
12 month	0.66	↑ 0.5	↑ 7.0
3 year	1.84	⇒ 0.0	↑ 0.5
5 year	2.66	↓ -1.5	↓ -2.5
10 year	3.58	↓ -1.0	↓ -3.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	1.0Y	RON 1000 mn	RON 960.7 mn
Monday	3.8Y	RON 500 mn	RON 520.4 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.45	↓ -1.0	↓ -6.0
3M ROBOR	0.74	↓ -2.0	↓ -2.0
6M ROBOR	1.02	↓ -1.0	↑ 1.0
1Y ROBOR	1.17	↓ -1.0	↑ 1.0
5Y CDS	106.07	↑ 0.0	↑ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4912	↑ 0.08	↑ 0.03
USD/RON	3.9452	↑ 0.06	↑ 0.95
CHF/RON	4.0444	↓ -0.44	↓ -1.21
100HUF/RON	1.4271	↑ 0.40	↓ -0.82

Sources: Reuters, NBR, OTP Research

Summary

- The NBR expects 0.6% inflation for the end of 2016.
- Industrial turnover and new orders were up in March.
- Yesterday the EUR/RON ended roughly flat.
- On Tuesday, the BET advanced 0.2%, while the main global indices registered nice gains.

Yesterday NBR chief Mugur Isarescu presented to the public the new Inflation Report, prepared by the specialists of the central bank. As it was indicated in the CB's monetary policy commentary last week, the inflation forecast was revised downward. According to the new report, the National Bank of Romania expects that the growth rate of consumer prices may reach 0.6% YoY at the end of this year, while it would accelerate to 2.7% YoY in Q4 2017. In its previous projection, the NBR foresaw 1.4% inflation for Q4 2016 and 3.4% for Q4 2017. The downward revision primarily was due to the lower administrated prices at energy as well as the less steep shape of the expected GDP gap, reflecting the negative impact of the recently approved debt discharge law and the subdued price dynamics on foreign markets. Excluding the first round effect of the VAT reduction, the annual inflation would stay at 1.9% at the end of the year, and it could go up to 2.9% in 2017, Mr Isarescu stated.

In March, the turnover index of industry expanded by 3.0% YoY and new orders increased by 6.6% YoY, the NIS said this morning. Tomorrow April's consumer price statistics will be out.

In yesterday's improved market sentiment, the CEE region's currencies mostly strengthened, while the EUR/RON changed little on low volumes. At the same time, interbank money market rates eased slightly, with the ROBOR 3M slipping two basis points to 0.74%

Several company earnings reports and positive news about Greece helped European stocks to climb higher yesterday. In addition, oil prices rallied as well, boosting energy shares. As a result, the key European benchmarks registered gains between 0.4% and 0.7%, while US equities also showed nice performances, with the S&P500 marching 1.3%. At the same time, Romanian stocks moved in different directions. Accordingly, the BET added only 0.2%, while the BET-FI decreased by 0.2%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
6-May	Friday	no data			
9-May	Monday	March	Net wage growth rate (YoY%)	12.1	12.7
10-May	Tuesday	March	Exports (FOB, YoY%)	2.4	9.4
		March	Imports (CIF, YoY%)	5.0	13.4
11-May	Wednesday	March	Industrial trade turnover index (YoY%)	3.0	6.7
		March	Index value of new orders in manufacturing (YoY%)	6.6	8.9
12-May	Thursday	April	Consumer price index (YoY%)	-2.9	-3.0
		March	Industrial production (YoY%)		0.8

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		9-May-16				
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%	
OTP AvantisRO	RON	7.8907	↓ -4.02	↓ -7.19	↓ -6.37	
OTP Obligatiuni	RON	14.4131	↑ 0.13	↑ 1.09	↑ 3.45	
OTP ComodisRO	RON	16.9619	↑ 0.15	↑ 0.56	↑ 1.57	
OTP Euro Bond	EUR	12.5016	↑ 0.07	↑ 0.80	↑ 3.25	
OTP Dollar Bond	USD	10.7102	↑ 0.26	↑ 1.34	↑ 3.18	
OTP Premium Return	RON	1064.7519	↓ -1.12	↓ -0.66	↓ -2.05	
OTP Euro Premium Return	EUR	9.6301	↓ -0.13	↓ -2.06	n.a.	
OTP Global Mix	RON	10.0035	↓ -0.91	↑ 0.04	n.a.	

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