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Daily Report – Romania

Date: 13.05.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,462.97	↑ 0.21	↑ 0.31
BET-TR	7,387.74	↑ 0.21	↑ 0.32
BET-FI	25,569.12	↓ -0.27	↓ -1.38
BET-XT	579.19	↑ 0.12	↓ -0.04
TLV	2.7600	↑ 0.91	↑ 1.47
FP	0.7210	↓ -0.14	↑ 0.14
COTE	65.8000	↓ -1.50	↓ -3.24
TGN	271.0000	→ 0.00	↑ 1.12
SNG	22.9500	↓ -0.86	↓ -2.13

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.45	↓ -0.5	↓ -1.5
12 month	0.63	→ 0.0	↑ 0.5
3 year	1.81	↓ -0.5	↓ -2.5
5 year	2.64	↓ -0.5	↓ -3.0
10 year	3.56	↓ -0.5	↓ -4.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	8.8Y	RON 300 mn	RON 328 mn
Monday	1.2Y	RON 300 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.45	→ 0.0	↓ -2.0
3M ROBOR	0.76	→ 0.0	→ 0.0
6M ROBOR	1.03	→ 0.0	↑ 1.0
1Y ROBOR	1.18	→ 0.0	→ 0.0
5Y CDS	106.07	→ 0.0	↑ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4970	→ 0.00	↑ 0.11
USD/RON	3.9722	↑ 0.49	↑ 0.77
CHF/RON	4.0723	↓ -0.02	↑ 0.53
100HUF/RON	1.4245	↓ -0.15	↓ -0.37

Sources: Reuters, NBR, OTP Research

Summary

- Romania's CA deficit increased rapidly in March.
- The EUR/RON remained slightly above 4.49 last week.
- Wholesale trades and market services rendered mainly to enterprises slowed somewhat in the third month of 2016.
- On Friday, the BET index rose slightly.

In the period of January-March, Romania's current account deficit increased sharply, to EUR 1,472 mn, according to the NBR's data published on last Friday. Similarly high deficit in the beginning of the year was seen last time in Q1 2010. The deterioration was primary due to the large gap in the case of the trade balance (EUR -1,819 mn) and primary incomes (EUR -1,780), after these were only partially offset by the surplus of services (EUR 1,396) and secondary incomes (EUR 731 mn). At the same time, foreign direct investments reached EUR 775 mn, out of which equity amounted to EUR 1,062 mn, while intercompany lending recorded a negative balance of EUR 287 mn. In addition, the NBR's report revealed that the country's total external debt continued to ease in the first three month of the year, dropping by around EUR 1 bn to EUR 89 bn.

Wholesale trades slowed down somewhat in March, pointing to an 8.3% YoY gain, slightly less than February's 9.5% YoY expansion. Simultaneously, the turnover index of market services rendered mainly to enterprises also lost steam, pointing to a 7.4% YoY growth rate, after 10.5% YoY advance a month earlier.

The EUR/RON finished Friday's session roughly flat, but the leu lost ground against the US dollar. This morning, the EUR/RON was traded somewhat lower.

On Friday, European stocks started the day in red zone, but they were able to finish in positive territory, with Germany's DAX increasing 0.9%, after Europe's largest economy registered a stronger than expected GDP advance in the first quarter of 2016 (0.7% QoQ). In the USA, the key indices closed 0.4%-1.0% lower on Friday, while Romania's BET increased a bit (+0.2%), supported by Nuclearelectrica's 3.1% rally as well as by the nice performances of the BVB (1.2%) and TLV (0.9%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
12-May	Thursday	April	Consumer price index (YoY%)	-3.3	-2.9	-3.0
		March	Industrial production (YoY%)	2.9		0.5
13-May	Friday	March	Construction works (YoY%)	-0.3		4.8
		Q1 2016	Flash GDP growth rate (YoY%)	4.3	3.8	3.8
		March	Turnover of market serv. provided to the population (YoY%)	16.3		10.9
		March	CA balance (EUR mn, YTD)	-1,472		-337
16-May	Monday	March	Wholesale turnover index (YoY%)	8.3		9.5
		March	Turnover of market serv. rendered mainly to enterp. (YoY%)	7.4		10.5

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		12-May-16				
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%	
OTP AvantisRO	RON	7.8571	↓ -4.24	↓ -7.59	↓ -6.35	
OTP Obligatiuni	RON	14.4178	↑ 0.14	↑ 1.12	↑ 3.45	
OTP ComodisRO	RON	16.9639	↑ 0.15	↑ 0.57	↑ 1.56	
OTP Euro Bond	EUR	12.5038	↑ 0.07	↑ 0.82	↑ 3.25	
OTP Dollar Bond	USD	10.7152	↑ 0.29	↑ 1.39	↑ 3.21	
OTP Premium Return	RON	1064.3843	↓ -1.13	↓ -0.69	↓ -1.76	
OTP Euro Premium Return	EUR	9.6378	↑ 0.00	↓ -1.98	n.a.	
OTP Global Mix	RON	9.9934	↓ -0.99	↓ -0.06	n.a.	

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