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Daily Report – Romania

Date: 23.05.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,385.89	↑ 0.29	↓ -0.92
BET-TR	7,300.20	↑ 0.29	↓ -0.94
BET-FI	25,338.40	↑ 0.65	↓ -0.77
BET-XT	571.04	↑ 0.25	↓ -1.13
TLV	2.7550	↑ 0.18	↓ -0.18
SNG	22.0000	↑ 1.15	↓ -2.65
FP	0.7330	↑ 1.52	↑ 1.81
TGN	267.0000	↓ -0.37	↓ -0.74
TEL	29.0000	↓ -0.51	↓ -0.51

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.48	↓ -1.0	↑ 1.0
12 month	0.65	→ 0.0	↑ 2.0
3 year	1.79	↓ -0.5	↓ -1.5
5 year	2.66	↓ -0.5	↑ 2.5
10 year	3.58	↓ -0.5	↑ 3.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	6.6Y	RON 300 mn	RON 300 mn
Monday	4.8Y	RON 400 mn	RON 400 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.42	→ 0.0	↑ 1.0
3M ROBOR	0.75	→ 0.0	↑ 1.0
6M ROBOR	1.02	→ 0.0	→ 0.0
1Y ROBOR	1.17	→ 0.0	→ 0.0
5Y CDS	103.85	↑ 0.0	↓ -2.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5139	↓ -0.04	↑ 0.59
USD/RON	4.0229	↑ 0.08	↑ 1.43
CHF/RON	4.0661	↑ 0.14	↑ 0.24
100HUF/RON	1.4215	↓ -0.76	↓ -0.17

Sources: Reuters, NBR, OTP Research

Summary

- Romania's banking sector finished Q1 2016 with RON 1.2 bn profit.
- The MoF borrowed RON 400 mn, as planned.
- The BET added 0.3%, helped by FP (+1.5%), while elsewhere in Europe stocks mostly fell.

The Romanian banking system reported RON 1.2 bn profit in the first quarter of 2016, according to the NBR's data released recently. Helped by the positive result of the period of January-March, the system's ROE indicator remained close to 11.7%, while the capital adequacy ratio improved further to 19.5% in March, from 19.2% in December. At the same time, the sector-wide non-performing loan ratio (using the EBA definition) was flat, ending the first quarter at 13.5%. Nonetheless, total net assets shrank by around RON 7 bn compared to December 2015, to RON 370 bn. But we recall that last year-end data was boosted by large spending from the state budget, lifting deposits significantly higher.

Yesterday's trading sentiment was rather unsupportive for the CEE region's currencies, with the EUR/PLN and the EUR/HUF going up. Simultaneously, the EUR/RON was traded as high as 4.52, but Romania's leu was able to recuperate its earlier losses in the afternoon, ending the session broadly unchanged.

Yesterday the Ministry of Finance sold the planned amount of RON 400 mn in 4.8Y bonds on 2.68% average accepted yield, amid relatively healthy demand with bids staying at RON 977 mn.

Contrary to its Western European peers the BVB's indices posted modest gains on Monday, while stocks mostly fell across the continent, led by Germany's DAX, which gave back 0.7%. The main European equity indices ended a choppy session with ups and downs, as the eurozone's PMI for May pointed to slowing economy. In Bucharest, the BET rose 0.3%, fuelled by the above 1% gain of Fondul Proprietatea and Romgaz, while Electrica also added 1%. Nonetheless, there were six companies out of the BET's ten individual components, which closed in negative territory, with losses between 0.4% and 1.3%. US stocks stood mostly in green zone during yesterday's trading, but they ended slightly lower on Monday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
19-May	Thursday		no data		
20-May	Friday		no data		
23-May	Monday		no data		
24-May	Tuesday		no data		
25-May	Wednesday	April	New commercial vehicle registrations (YoY%)		52.7

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		20-May-16				
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%	
OTP AvantisRO	RON	7.7901	↓ -3.45	↓ -8.38	↓ -7.23	
OTP Obligatiuni	RON	14.4168	↑ 0.10	↑ 1.12	↑ 3.39	
OTP ComodisRO	RON	16.9697	↑ 0.15	↑ 0.61	↑ 1.56	
OTP Euro Bond	EUR	12.4948	↓ -0.06	↑ 0.74	↑ 3.14	
OTP Dollar Bond	USD	10.7053	↑ 0.07	↑ 1.30	↑ 3.08	
OTP Premium Return	RON	10.6201	↓ -0.89	↓ -0.91	↓ -2.86	
OTP Euro Premium Return	EUR	9.6355	↓ -0.15	↓ -2.01	n.a.	
OTP Global Mix	RON	9.9707	↓ -0.57	↓ -0.29	n.a.	

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