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Daily Report – Romania

Date: 26.05.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,441.01	↑ 0.49	↑ 0.92
BET-TR	7,362.46	↑ 0.49	↑ 0.91
BET-FI	25,226.05	↑ 0.10	↓ -0.13
BET-XT	575.13	↑ 0.41	↑ 0.89
TLV	2.8000	↑ 1.08	↑ 2.19
SNG	22.5500	↑ 0.89	↑ 4.40
BRD	9.0500	↓ -1.09	↓ -2.69
FP	0.7310	↑ 0.41	↓ -1.48
TEL	29.2000	↑ 0.69	↑ 0.52

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.48	↓ -0.5	→ 0.0
12 month	0.65	↑ 1.0	→ 0.0
3 year	1.80	↓ -0.5	↑ 0.5
5 year	2.66	↑ 1.0	↓ -0.5
10 year	3.59	↑ 1.0	↓ -0.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	4.8Y	RON 400 mn	RON 400 mn
Thursday	2.9Y	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.44	↓ -3.0	↑ 3.0
3M ROBOR	0.73	↓ -2.0	↓ -2.0
6M ROBOR	1.00	↓ -2.0	↓ -1.0
1Y ROBOR	1.15	↓ -2.0	↓ -2.0
5Y CDS	103.84	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5070	↑ 0.09	↑ 0.07
USD/RON	4.0263	↓ -0.26	↑ 0.15
CHF/RON	4.0687	↓ -0.08	↑ 0.26
100HUF/RON	1.4354	↑ 0.16	↑ 0.90

Sources: Reuters, OTP Research

Summary

- The EUR/RON finished a rather directionless session yesterday.
- On Thursday, the Treasury sold the planned amount of RON 500 mn in 2.9Y bonds.
- ROBOR rates mostly eased yesterday.
- The BVB's indices closed with modest gains.

Following a two-day-long rally on global financial markets, investors' optimism faded somewhat yesterday. Accordingly in the less supportive environment, the EUR/RON was traded rather sideways in a relatively tight range on Thursday, but nor did other currencies of the CEE region show much variation. Nonetheless, Romania's leu strengthened against the US dollar, as the EUR/USD turned back close to 1.12, ahead of next weeks' US job data and a speech from Fed chief Janet Yellen.

Yesterday the Treasury borrowed RON 500 mn on a 2.9Y bond auction, when primary dealers subscribed for a touch less than RON 1.1 bn. The average accepted yield (1.81%) eased by 4 basis points compared to a similar transaction held a month earlier with the same ISIN. At the same time, the benchmark government securities' yields changed mixed on Thursday, while interbank lending rates mostly eased.

After Wednesday's relatively weak performance, Bucharest's benchmark index, the BET increased in line with the majority of the main Western European stock markets, pointing to an 0.5% advance, after seven out of its ten components finished the day in green, with the shares of Banca Transilvania showing the largest gain (+1.1%). On the other hand, the stocks of the BVB and the BRD went in the opposite direction, plunging 1.8% and 1.1% respectively. Simultaneously, the BET-FI pointed to a slight increase, adding 0.1%, as its components showed a more mixed picture with three companies going up and with the other three falling. Yesterday Europe's leading indices eked out their earlier gains of Tuesday and Wednesday, with the DAX and the CAC40 rising 0.7% each, while London's FTSE closed almost flat. On the other side of the Atlantic, US equities finished almost unchanged, after oil futures marked an intraday reversal.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
25-May	Wednesday	April	New commercial vehicle registrations (YoY%)	43.8	52.7
26-May	Thursday	April	M3 (broad money, YoY%)	10.8	9.9
		April	Non-government loans (YoY%)	3.0	2.8
		April	Non-government deposits (YoY%)	10.1	9.5
27-May	Friday	no data			
30-May	Monday	April	Licenses for residential buildings (YoY%)		2.6
		May	Economic Sentiment Indicator		104.0
		May	Consumer Confidence Indicator		-17.6

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		25-May-16				
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%	
OTP AvantisRO	RON	7.8390	↓ -2.53	↓ -7.80	↓ -6.54	
OTP Obligatiuni	RON	14.4215	↑ 0.14	↑ 1.15	↑ 3.39	
OTP ComodisRO	RON	16.9729	↑ 0.15	↑ 0.63	↑ 1.56	
OTP Euro Bond	EUR	12.4955	↓ -0.04	↑ 0.75	↑ 3.12	
OTP Dollar Bond	USD	10.7146	↑ 0.16	↑ 1.39	↑ 3.15	
OTP Premium Return	RON	10.6191	↓ -0.84	↓ -0.92	↓ -2.94	
OTP Euro Premium Return	EUR	9.6276	↓ -0.24	↓ -2.09	n.a.	
OTP Global Mix	RON	9.9826	↓ -0.34	↓ -0.17	n.a.	

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