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Daily Report – Romania

Date: 03.06.2016

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET | 6,545.70 | ↓ -0.44 | ↑ 1.13 |
| BET-TR | 7,856.09 | ↑ 0.82 | ↑ 6.17 |
| BET-FI | 26,140.48 | ↓ -0.75 | ↑ 3.84 |
| BET-XT | 589.07 | ↓ -0.06 | ↑ 1.94 |
| FP | 0.7270 | ↓ -3.96 | ↓ -0.41 |
| SNG | 24.3500 | ↑ 1.88 | ↑ 5.87 |
| TEL | 31.1500 | ↑ 2.81 | ↑ 6.13 |
| TLV | 2.2000 | ↓ -2.65 | ↓ -6.17 |
| EBS | 105.0000 | ↓ -3.67 | ↓ -3.67 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 0.48 | → 0.0 | → 0.0 |
| 12 month | 0.62 | → 0.0 | ↓ -0.5 |
| 3 year | 1.78 | → 0.0 | ↓ -1.0 |
| 5 year | 2.67 | ↑ 0.5 | ↑ 2.0 |
| 10 year | 3.59 | ↑ 0.5 | ↑ 1.5 |

GOV'T BOND AUCTIONS

| | Maturity | Auctions | Sold |
|--------|----------|------------|------|
| Monday | 3.7Y | RON 500 mn | |

MONEY MARKET

| | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 0.40 | ↓ -2.0 | ↓ -4.0 |
| 3M ROBOR | 0.75 | → 0.0 | → 0.0 |
| 6M ROBOR | 1.00 | → 0.0 | ↓ -1.0 |
| 1Y ROBOR | 1.18 | ↑ 1.0 | ↑ 1.0 |
| 5Y CDS | 103.82 | ↓ 0.0 | ↓ 0.0 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4.5185 | ↑ 0.08 | ↑ 0.33 |
| USD/RON | 3.9748 | ↓ -1.85 | ↓ -1.96 |
| CHF/RON | 4.0739 | ↓ -0.35 | ↓ -0.02 |
| 100HUF/RON | 1.4460 | ↑ 0.12 | ↑ 0.79 |

Sources: Reuters, OTP Research

Summary

- The Social Democratic Party's nominee Gabriela Firea won the post of Bucharest mayor, preliminary results showed.
- On the back of Friday's disappointing US job report, the USD depreciated significantly against the leu; the EUR/RON finished last week somewhat higher.
- The MoF plans to borrow RON 500 mn today.
- In negative global trading sentiment, the BET dropped 0.4% on Friday.

Yesterday's local elections brought some surprises, according to the preliminary results. The leftist Social Democratic Party consolidated its position, gaining easily the post of mayor in Bucharest.

Today no important macroeconomic data is scheduled to come out, but tomorrow the detailed Q1 GDP statistics will see the light of day, while May's consumer price index will be published on 10 June.

On Friday, the much weaker than anticipated US job report triggered worries about the outlook of global economic growth. According to the data of the Labor Department, the US economy created only 38,000 new jobs in May, the slowest advance in nearly six years. The bad news may force the Fed to delay its planned rate hikes, causing the EUR/USD to climb significantly higher on Friday. As the EUR/RON increased only slightly, Romania's leu gained around 1.8% against the US dollar.

Today the Ministry of Finance aims to sell RON 500 mn in 3.7Y bonds.

The highly disappointing US report left its mark on trading in stocks as well, sending the main European benchmarks around 1% lower, with the exception of London's FTSE100 which registered a modest gain of 0.4%. In Bucharest, the BET index decreased by 0.4%, after Fondul Proprietatea's investment manager announced the details about the payment of the 2016 return of capital distribution. Holders of the company stocks (registered at the Central Depository as of 6 June) are entitled to receive the 0.05 RON/share return, the statement said.

| Date | PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|--------|-----------|-----------|---|-----------|----------|
| 1-Jun | Wednesday | May | FX Reserves, EUR bn | 32.7 | 31.5 |
| 2-Jun | Thursday | April | Producer Price Index (YoY%) | -3.0 | -3.4 |
| 3-Jun | Friday | April | Retail trade (YoY%) | 19.1 | 19.5 |
| | | April | Tourists' overnight stays (YoY%) | 12.9 | 6.8 |
| 27-May | Friday | | no data | | |
| 6-Jun | Monday | | no data | | |
| 7-Jun | Tuesday | April | Net wage growth rate (YoY%) | | 12.1 |
| | | Q1 2016 | Detailed GDP growth rate (YoY%, provisional data 2) | | 3.8 |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds | | 2-Jun-16 | | | | | |
|---------------------------|-----|------------|---------|---------|---------|--|--|
| Investment funds | ccy | last NAV/U | 1m% | Ytd% | 52W% | | |
| OTP AvantisRO | RON | 8.0899 | ↑ 1.77 | ↓ -4.85 | ↓ -4.59 | | |
| OTP Obligatiuni | RON | 14.4260 | ↑ 0.15 | ↑ 1.18 | ↑ 3.37 | | |
| OTP ComodisRO | RON | 16.9779 | ↑ 0.17 | ↑ 0.66 | ↑ 1.55 | | |
| OTP Euro Bond | EUR | 12.4982 | ↑ 0.01 | ↑ 0.77 | ↑ 3.11 | | |
| OTP Dollar Bond | USD | 10.7171 | ↑ 0.15 | ↑ 1.41 | ↑ 3.15 | | |
| OTP Premium Return | RON | 10.6869 | ↑ 0.27 | ↓ -0.29 | ↓ -2.37 | | |
| OTP Euro Premium Return | EUR | 9.6138 | ↓ -0.22 | ↓ -2.23 | n.a. | | |
| OTP Global Mix | RON | 10.1034 | ↑ 1.08 | ↑ 1.04 | n.a. | | |

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