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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,266.14	↓ -3.53	↓ -3.10
BET-TR	7,598.54	↓ -3.52	↓ -2.50
BET-FI	25,286.77	↓ -2.99	↓ -0.91
BET-XT	566.29	↓ -3.36	↓ -2.60
FP	0.6780	↓ -3.56	↓ -3.42
TLV	2.1000	↓ -4.98	↓ -4.55
SNG	23.9000	↓ -2.25	↓ -1.44
BRD	9.2500	↓ -4.54	↓ -2.63
EBS	91.2000	↓ -10.15	↓ -4.20

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.58	↑ 7.5	↑ 7.0
12 month	0.74	↑ 9.0	↑ 9.0
3 year	1.88	↑ 11.0	↑ 9.0
5 year	2.82	↑ 15.0	↑ 14.0
10 year	3.71	↑ 14.5	↑ 15.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	1Y	RON 1000 mn	RON 1000 mn
Monday	2.8Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.57	↑ 15.0	↑ 18.0
3M ROBOR	0.85	↑ 9.0	↑ 9.0
6M ROBOR	1.07	↑ 6.0	↑ 5.0
1Y ROBOR	1.25	↑ 7.0	↑ 7.0
5Y CDS	112.68	↑ 2.1	↑ 4.4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5295	↑ 0.33	↓ -0.20
USD/RON	4.0746	↑ 2.85	↑ 1.21
CHF/RON	4.1849	↑ 1.25	↓ -0.19
100HUF/RON	0.0143	↓ -0.70	↓ -1.29

Sources: Reuters, OTP Research

Summary

- British voters decided on a historic referendum: the UK should exit the European Union.
- The GBP registered its largest daily loss ever against the dollar; the RON fared relatively well compared to the EUR.
- Stocks finished deep in negative territory.
- The yield curve shifted up, while ROBOR rates also increased.
- Today the Treasury plans to sell RON 500 mn via 2.8Y governments securities.

The result of the historic referendum in the United Kingdom shocked the markets on Friday, as earlier polls suggested that the "remain" campaign could see a narrow victory. In contrast, 51.9% of British voters wanted the UK to leave the community of the European Union.

Violent market reactions followed the news regarding the unprecedented move of the country, with the GBP plunging as much as 10% against the USD, its largest daily drop ever. Simultaneously, the EUR also weakened around 2.4%, pushing the EUR/USD to around 1.11. Romania's leu saw a volatile day as well, reaching a peak at around 4.56 compared to the euro, but it was able to stabilize below 4.53 at the end of the day. The CEE region's currencies showed a similar pattern to the RON, weakening significantly in the early hours of the trading, but recuperating some of its losses later during the day.

Equities responded to Brexit news with large falls, pushing Paris' CAC40 and Germany's DAX 8.0% and 6.8% lower. At the same time, the main index of the Romanian stock market, the BET dropped 3.5%, led by banking shares: the TLV slumped 5.0% and the BRD sunk 4.5% as well.

Friday's sell-off left its mark on government securities' yields too, as the yield curve shifted up by 11 basis points on average, with the largest movements at the long end. In addition, interbank money market rates rose as well. Accordingly, the ROBOR 3M jumped 9 basis points to 0.85% on Friday.

Today the Treasury aims to borrow RON 500 mn via 2.8Y bonds.

On the domestic front, this week's main event will be the NBR's monetary policy meeting, set to be held on Thursday, when the members of the Board may keep the benchmark interest rate unchanged at 1.75%, according to the expectations. On Wednesday, June's economic sentiment and consumer confidence indicators will be out.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
22-Jun	Wednesday		no data		
23-Jun	Thursday	May	M3 (broad money, YoY%)	12.7	10.8
		May	Non-government loans (YoY%)	2.4	3.0
		May	Non-government deposits (YoY%)	12.4	10.1
		May	New commercial vehicle registrations (YoY%)	18.9	43.8
24-Jun	Friday		no data		
27-Jun	Monday		no data		
28-Jun	Tuesday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		23-Jun-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.1723	↑ 4.72	↓ -3.88	↓ -1.60		
OTP Obligatiuni	RON	14.4542	↑ 0.24	↑ 1.38	↑ 3.38		
OTP ComodisRO	RON	16.9913	↑ 0.12	↑ 0.74	↑ 1.54		
OTP Euro Bond	EUR	12.5183	↑ 0.18	↑ 0.93	↑ 2.97		
OTP Dollar Bond	USD	10.7509	↑ 0.39	↑ 1.73	↑ 2.53		
OTP Premium Return	RON	10.7362	↑ 1.00	↑ 0.17	↓ -0.76		
OTP Euro Premium Return	EUR	9.6259	↓ -0.05	↓ -2.10	n.a.		
OTP Global Mix	RON	10.1525	↑ 1.77	↑ 1.53	n.a.		

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