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Daily Report – Romania

Date: 13.07.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,577.90	↑ 0.73	↑ 2.23
BET-TR	8,121.28	↑ 0.70	↑ 2.83
BET-FI	27,418.33	↓ -0.46	↑ 1.19
BET-XT	595.07	↑ 0.54	↑ 2.11
SIF5	1.5300	↓ -3.77	↓ -2.55
BRD	9.8300	↑ 0.10	↑ 4.46
FP	0.7610	↑ 0.13	↑ 1.20
SNG	22.4000	↓ -0.88	↑ 1.82
EL	12.8400	↑ 1.42	↓ -3.46

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.48	↑ 0.5	↓ -1.0
12 month	0.59	→ 0.0	↓ -5.0
3 year	1.65	↑ 1.0	↓ -6.0
5 year	2.42	→ 0.0	↓ -7.0
10 year	3.20	↓ -0.5	↓ -7.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2.8Y	RON 500 mn	RON 500 mn
Thursday	6.4Y	RON 200 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.44	↑ 2.0	→ 0.0
3M ROBOR	0.81	↑ 1.0	↑ 3.0
6M ROBOR	1.05	↓ -1.0	↑ 1.0
1Y ROBOR	1.21	→ 0.0	↑ 1.0
5Y CDS	110.52	→ 0.0	↑ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4894	↓ -0.06	↓ -0.67
USD/RON	4.0490	↓ -0.25	↓ -0.56
CHF/RON	4.1094	↑ 0.07	↓ -1.61
100HUF/RON	0.0143	↑ 0.01	↑ 0.11

Sources: Reuters, OTP Research

Summary

- In May, the turnover index of market services rendered to enterprises continued to increase, but wholesale trades slipped.
- The EUR/RON was traded in a narrow range on average volumes; the Bank of England holds its monetary policy meeting today.
- The MoF plans to borrow RON 200 mn today.
- The BET outperformed its peers, gaining 0.7% yesterday.

After yesterday's clearly disappointing data, coming from the sectors of industry and construction, today the National Institute of Statistics released mixed statistics for May. The turnover index of market services rendered mainly to enterprises grew by 0.9% MoM (SWDA), pushing its annual advance to 9.1% (gross data) in the fifth month of the year. Nevertheless, wholesale trades dipped 1.1% MoM (SWDA), therefore their year-over-year growth rate slowed to 8.8% (gross data), from 9.7% YoY a month earlier.

Today the NBR publishes May's current account statistics.

Mixed market sentiment ruled Wednesday's trading, with the CEE region's currencies showing rather modest changes. The EUR/RON was traded in a relatively narrow range on average volumes, ending the day at around 4.49. Meanwhile, Hungary's HUF finished broadly flat and the Poland's PLN weakened somewhat against Europe's common currency. Simultaneously, the EUR/USD inched a bit higher, close to 1.11. As a result, the leu firmed 0.3% compared to the US dollar. Today investors may pay attention to the Bank of England's monetary policy decision. According to the expectations, the BoE could cut rates for the first time since 2009.

The Ministry of Finance aims to sell RON 200 mn in 6.4Y bonds today.

Government securities' yields and the interbank lending rates posted small changes, with the ROBOR 3M increasing by one basis point to 0.81%.

European stocks finished a choppy trading on Wednesday, after registering sharp gains earlier this week. The DAX eased 0.3%, while the Paris' CAC40 went up by 0.1%. London's FTSE100 closed slightly below zero ahead of the today's policy meeting of the Bank of England. US stock also closed mixed, while crude oil prices fell sharply. On the other hand, Bucharest's BET index outperformed its main rivals, pointing to a 0.7% advance, fuelled by OMW Petrom (+2.7%) and Nuclearelectrica (+2.3%). The third largest gain among the BET's ten components was registered by Electrica (+1.4%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
13-Jul	Wednesday	May	Turnover of market serv. provided to the population (YoY%)	10.5	9.8
		May		1.5	3.8
		May		8.9	12.3
14-Jul	Thursday	May	Turnover of market serv. rendered mainly to enterp. (YoY%)	9.1	6.9
		May		8.8	9.7
		May			-1,843
15-Jul	Friday	June	New passenger car registrations (YoY%)		7.1

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		12-Jul-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.3729	↑ 3.91	↓ -1.52	↓ -0.53		
OTP Obligatiuni	RON	14.5121	↑ 0.44	↑ 1.79	↑ 3.71		
OTP ComodisRO	RON	17.0028	↑ 0.12	↑ 0.80	↑ 1.54		
OTP Euro Bond	EUR	12.5650	↑ 0.40	↑ 1.31	↑ 3.34		
OTP Dollar Bond	USD	10.7877	↑ 0.51	↑ 2.08	↑ 2.86		
OTP Premium Return	RON	10.8702	↑ 1.00	↑ 1.42	↑ 1.00		
OTP Euro Premium Return	EUR	9.7724	↑ 1.31	↓ -0.61	n.a.		
OTP Global Mix	RON	10.2633	↑ 1.56	↑ 2.64	n.a.		

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