

Date: 28.07.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,694.09	↓ -0.49	↑ 0.90
BET-TR	8,266.29	↓ -0.49	↑ 0.91
BET-FI	28,186.58	↑ 0.19	↑ 1.11
BET-XT	606.23	↓ -0.23	↑ 1.07
EL	13.1200	↓ -0.46	↑ 1.55
BRD	9.8000	↓ -0.31	↑ 1.45
SNG	22.7500	↓ -0.44	↑ 0.22
FP	0.7710	↓ -1.41	↓ -1.66
TLV	2.2300	↑ 0.22	↑ 3.72

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.46	→ 0.0	→ 0.0
12 month	0.56	↓ -0.5	↓ -1.0
3 year	1.57	↓ -2.5	↓ -3.0
5 year	2.35	↓ -2.0	↓ -4.0
10 year	3.17	→ 0.0	↓ -0.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.6Y	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.59	↑ 2.0	↑ 16.0
3M ROBOR	0.80	↓ -2.0	→ 0.0
6M ROBOR	1.04	↓ -1.0	↓ -1.0
1Y ROBOR	1.20	↓ -1.0	↓ -1.0
5Y CDS	108.27	→ 0.0	↓ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4642	↑ 0.07	↑ 0.16
USD/RON	4.0305	↓ -0.09	↓ -0.55
CHF/RON	4.1095	↑ 0.44	↑ 0.24
100HUF/RON	0.0143	↑ 0.63	↑ 0.70

Sources: Reuters, OTP Research

Summary

- The number of new commercial vehicle registrations increased by 3.5% YoY last month.
- Romania's economic sentiment indicator slightly improved in July.
- June's unemployment rate eased by 0.2 pps. to 6.4%.
- The EUR/RON was little changed yesterday.

Demand for new commercial vehicles increased in June, according to the latest statistics of the ACEA (European Automobile Manufacturers Association) released on Thursday. The number of new registration exceeded 1,800 last month, which translates to a 3.5% gain compared to the same period of the previous year. Nevertheless, this growth rate is significantly lower than a month earlier, when new registrations surged by 18.9% YoY while in the first half of 2016, they grew 34.1% YoY.

In July, Romania's economic sentiment indicator climbed higher, to 103.6 from June's 103.2 points. The improvement was primarily due to the sector of services, but confidence strengthened in the segment of retail trade and constructions too. Simultaneously, marginal deterioration was registered in the case of the industrial and consumer confidence sub-indices.

We recall that the ESI index stood at 103.6 on average in Q2 2016, which is 0.4 points higher than in the period of January-March. Regarding Q2 2016, it may also worth mentioning that other high-frequency indicators, such as the monthly index of industrial production, retail trade as well as construction works recorded disappointing evolutions in May (last available data), after an excellent start in April. We deem that some of the May's falls could be reversed in June, helped by strong domestic demand and accordingly the economy likely remained on an upward trend in Q2 too, but even so the second quarter still seems to be much weaker than previously thought.

Similarly to the case of Romania, the economic sentiment indicator rose in July at the level of the euro area as well. This appears to be quite promising, as the data already incorporates the first round impact of UK's historic vote to leave the EU. At the same time, the ESI index for the United Kingdom fell by 4.4 points to 102.6 in July.

In June, the number of new building permits for residential buildings fell sharply, by 9.5% YoY, while Romania's unemployment rate eased 0.2 percentage points to 6.4%, the NIS said this morning.

The RON marginally weakened against the EUR yesterday and the BET's components mostly finished in red zone. In Western Europe, the key stock indices inched lower on company earnings reports. The Bank of Japan announced new easing measures this morning, but these missed the elevated expectations of the market, the JPY started to strengthen.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
26-Jul	Tuesday		no data		
27-Jul	Wednesday		no data		
28-Jul	Thursday	June	New commercial vehicle registrations (YoY%)	3.5	18.9
		July	Economic Sentiment Indicator	103.6	103.2
		July	Consumer Confidence Indicator	-19.8	-19.6
29-Jul	Friday	June	Licenses for residential buildings (YoY%)	-9.5	1.5
		June	ILO unemployment rate (% , seasonally adjusted)	6.4	6.6
1-Aug	Monday	July	FX Reserves, EUR bn		31.7

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		27-Jul-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.5702	↑ 7.55	↑	0.80	↓	-0.75
OTP Obligatiuni	RON	14.5393	↑ 0.73	↑	1.98	↑	3.75
OTP ComodisRO	RON	17.0127	↑ 0.11	↑	0.86	↑	1.51
OTP Euro Bond	EUR	12.5830	↑ 0.67	↑	1.45	↑	3.38
OTP Dollar Bond	USD	10.7850	↑ 0.49	↑	2.05	↑	2.79
OTP Premium Return	RON	10.9123	↑ 1.01	↑	1.81	↑	1.71
OTP Euro Premium Return	EUR	9.8350	↑ 1.62	↑	0.02		n.a.
OTP Global Mix	RON	10.4067	↑ 3.58	↑	4.08		n.a.

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