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# Daily Report – Romania

Date: 29.07.2016

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,725.19	↑ 0.46	↑ 1.31
BET-TR	8,304.34	↑ 0.46	↑ 1.33
BET-FI	28,291.20	↑ 0.37	↑ 1.18
BET-XT	608.48	↑ 0.37	↑ 1.36
TLV	2.2800	↑ 2.24	↑ 5.80
FP	0.7750	↑ 0.52	↓ -0.90
ALBZ	0.5160	↓ -0.39	↑ 4.03
BRD	9.7800	↓ -0.20	↑ 0.82
TEL	29.4000	↑ 1.38	↑ 3.16

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.46	→ 0.0	↓ -0.5
12 month	0.56	↓ -0.5	↓ -1.5
3 year	1.57	→ 0.0	↓ -2.5
5 year	2.34	↓ -1.0	↓ -5.0
10 year	3.14	↓ -2.5	↓ -2.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	11.0Y	RON 500 mn	
Thursday	2.7Y	RON 500 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.60	↑ 1.0	↑ 17.0
3M ROBOR	0.80	→ 0.0	→ 0.0
6M ROBOR	1.04	→ 0.0	↓ -1.0
1Y ROBOR	1.20	→ 0.0	↓ -1.0
5Y CDS	108.26	↓ 0.0	↓ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4536	↓ -0.24	↓ -0.08
USD/RON	3.9990	↓ -0.78	↓ -1.50
CHF/RON	4.1156	↑ 0.15	↑ 0.08
100HUF/RON	0.0144	↑ 0.21	↑ 1.00

Sources: Reuters, OTP Research

**Summary**

- The RON gained some ground against the EUR and firmed significantly compared to the USD, after US GDP data disappointed the market.
- The MoF plans to borrow RON 500 mn today.
- In Friday's supportive European trading sentiment, the BET inched up 0.5%; Romania's benchmark index finished 1.3% higher on weekly basis.
- The NBR's monetary policy meeting may be the main event of this week.

On Friday, the CEE region's currencies mostly strengthened against the common European currency and firmed significantly compared to the US dollar, after weaker-than-expected second-quarter GDP statistics were released in the USA. The world's largest economy expanded by a 1.2% annual pace, disappointing analysts, as the robust growth in consumption was partially offset by sharply dropping business investments. The fresh data on the US economy may derail the plans of the Federal Reserve to raise interest rates this year.

Today the Ministry of Finance aims to borrow RON 500 mn via 11Y bonds.

European stocks performed relatively well, helped by banking shares, as market participants waited for the release of the EU-wide stress test results. On the whole, the results published on late Friday signalled that European banks became more resilient, strengthening significantly their capital base, but the report also revealed that there is still room for improvement at several individual lending institutions. US stock markets were dragged down by the weak GDP data, but they were able to come back and finish the day with small gains. In Romania, the key indices closed in positive territory, with the BET adding 0.5%. The largest gain was registered by Banca Transilvania (2.2%), but the shares of Nuclearelectrica (1.5%), Transelectrica (1.4%) and the BVB (1.2%) also closed more than 1% higher, while Electrica was the weakest link, dropping 0.9% on Friday.

This week will be relatively rich in macroeconomic data releases on the domestic front, as among others June's retail trade and producer price statistics will see the light of day. Nevertheless, the main event of the week will be the monetary policy meeting of the NBR, where the Board may keep the base rate unchanged, according to the expectations. Policy makers will analyse the new Inflation Report as well. Most likely, the central bank's staff revises downward their year-end inflation forecast (actually staying at 0.6% YoY) in the wake of the latest data. We recall that we also reduced our [inflation](#) projection to only 0.0% YoY, while the recent drop in crude oil prices puts additional pressure on our forecast.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
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
2-Aug	Tuesday	June	Producer Price Index (YoY%)		-2.8

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		28-Jul-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.5936	↑ 5.55	↑ 1.07	↓ -0.90		
OTP Obligatiuni	RON	14.5422	↑ 0.66	↑ 2.00	↑ 3.77		
OTP ComodisRO	RON	17.0135	↑ 0.11	↑ 0.87	↑ 1.51		
OTP Euro Bond	EUR	12.5852	↑ 0.60	↑ 1.47	↑ 3.40		
OTP Dollar Bond	USD	10.7864	↑ 0.44	↑ 2.06	↑ 2.80		
OTP Premium Return	RON	10.9279	↑ 1.00	↑ 1.96	↑ 1.67		
OTP Euro Premium Return	EUR	9.8526	↑ 1.70	↑ 0.20	n.a.		
OTP Global Mix	RON	10.4013	↑ 2.76	↑ 4.02	n.a.		

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