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# Daily Report – Romania

Date: 05.08.2016

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,752.01	↑ 0.66	↑ 0.40
BET-TR	8,338.79	↑ 0.65	↑ 0.41
BET-FI	28,229.02	↑ 0.30	↓ -0.22
BET-XT	610.84	↑ 0.59	↑ 0.39
TLV	2.2350	↑ 0.68	↓ -1.97
EL	13.2400	↑ 0.30	↑ 1.85
EL	13.2400	↑ 0.30	↑ 1.85
BRD	10.0400	↑ 2.97	↑ 2.66
SNG	22.9500	↑ 0.22	↑ 0.44

**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	→ 0.0
3 year	1.57	↑ 0.5	→ 0.0
5 year	2.27	↓ -1.0	↓ -7.0
10 year	3.03	↓ -3.0	↓ -11.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	6M	RON 300 mn	
Thursday	6.4Y	RON 400 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.51	→ 0.0	↓ -9.0
3M ROBOR	0.82	→ 0.0	↑ 2.0
6M ROBOR	1.06	→ 0.0	↑ 2.0
1Y ROBOR	1.21	→ 0.0	↑ 1.0
5Y CDS	108.26	↓ 0.0	↓ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4568	↓ -0.07	↑ 0.07
USD/RON	4.0198	↑ 0.36	↑ 0.52
CHF/RON	4.0993	↓ -0.30	↓ -0.40
100HUF/RON	0.0144	↑ 0.21	↑ 0.03

Sources: Reuters, OTP Research

**Summary**

- In June, average net wages expanded by 14.3% YoY, reaching RON 2,078.
- The RON slightly firmed compared to the EUR, but lost ground versus the USD, as July's US job report caused a positive surprise, supporting the dollar's strength.
- The Treasury plans to borrow RON 300 mn today.
- In line with its global rivals, the BET finished in green.

The growth rate of nominal net wages accelerated slightly, a report of the National Institute of Statistics revealed this morning, pointing to a 14.3% YoY gain in June, up from May's 14.2% YoY. In real terms, the growth pace moderated somewhat (from 18.3% YoY to 15.1% YoY), as last year's VAT rate cut on foods faded out in June, driving the annual inflation higher. Today's data together with last week's promising retail trade report suggests that households' consumption most likely remained strong in Q2 2016 too.

This week's macroeconomic calendar is quite rich, with numerous important updates on Romania's economy. Among them, the most interesting could be July's consumer price statistics, which is set to come out on Wednesday, while the flash estimate of Q2 GDP will be published on Friday. Tomorrow the external trade report will be due.

Trading sentiment was quite optimistic on Friday, still fuelled by the Bank of England's stimulus measures announced a day earlier, while financial markets got an additional boost from upbeat US economic data. According to the latest report of the Bureau of Labor Statistics, the US economy generated 255,000 new jobs last month, beating market expectations by a fairly wide margin. The positive mood supported the CEE region's currencies, helping the RON to eke out a slight gain versus the EUR. On the other hand, the USD strengthened around 0.4% compared to the EUR, as the job statistics increased the likelihood of a Fed rate hike in 2016.

Today the Treasury holds an auction for selling RON 300 mn debt via 6M bills.

Stock markets rallied on Friday, with the main Western European and US indices registering nice gains. The BVB's indices finished in positive territory too. The domestic benchmark, the BET inched up 0.7% on Friday as nine of its ten components rose, led by the banking sector, after the BRD surged almost 3.0% and the TLV also advanced 0.7%. The investment fund index of the BVB, the BET-FI painted a similar picture, as its individual components closed in the green with a single exception.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
2-Aug	Tuesday	June	Producer Price Index (YoY%)	-2.3	-2.8
3-Aug	Wednesday	June	Retail trade (YoY%)	16.1	15.8
		June	Tourists' overnight stays (YoY%)	3.7	4.9
4-Aug	Thursday	August	Base rate decision (%)	1.75	1.75
5-Aug	Friday		no data		
8-Aug	Monday	June	Net wage growth rate (YoY%)	14.3	14.2
9-Aug	Tuesday	June	Exports (FOB, YoY%)		4.1
		June	Imports (CIF, YoY%)		12.2

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		4-Aug-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.6100	↑ 4.39	↑ 1.27	↓ -1.39		
OTP Obligatiuni	RON	14.5632	↑ 0.56	↑ 2.14	↑ 3.88		
OTP ComodisRO	RON	17.0173	↑ 0.12	↑ 0.89	↑ 1.50		
OTP Euro Bond	EUR	12.6045	↑ 0.53	↑ 1.63	↑ 3.53		
OTP Dollar Bond	USD	10.7965	↑ 0.30	↑ 2.16	↑ 2.88		
OTP Premium Return	RON	10.9483	↑ 1.00	↑ 2.15	↑ 1.64		
OTP Euro Premium Return	EUR	9.8785	↑ 1.89	↑ 0.47	n.a.		
OTP Global Mix	RON	10.4052	↑ 2.36	↑ 4.06	n.a.		

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