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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,834.61	↑ 0.03	↑ 1.90
BET-TR	8,437.96	↑ 0.04	↑ 1.85
BET-FI	28,414.00	↑ 0.07	↑ 0.96
BET-XT	617.75	↑ 0.05	↑ 1.73
TEL	29.5500	↑ 0.17	↓ -0.67
TGN	284.0000	↑ 0.71	↓ -2.07
FP	0.7710	↑ 0.13	↓ -0.26
SNP	0.2540	↓ -0.20	↓ -1.17
TLV	2.3850	↓ -0.42	↑ 7.43

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.42	↓ -1.0	↓ -3.5
12 month	0.54	↓ -0.5	↓ -2.0
3 year	1.49	↓ -2.0	↓ -7.5
5 year	2.19	↓ -3.5	↓ -8.5
10 year	2.93	↓ -6.0	↓ -13.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6M	RON 300 mn	RON 300 mn
Thursday	6.4Y	RON 400 mn	RON 461 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.48	→ 0.0	↓ -3.0
3M ROBOR	0.78	↓ -1.0	↓ -4.0
6M ROBOR	1.02	↓ -1.0	↓ -4.0
1Y ROBOR	1.18	→ 0.0	↓ -3.0
5Y CDS	100.72	↑ 0.0	↓ -7.5

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4588	↑ 0.01	↓ -0.03
USD/RON	4.0035	↑ 0.37	↓ -0.05
CHF/RON	4.1040	↑ 0.35	↓ -0.19
100HUF/RON	0.0144	↑ 0.21	↑ 0.36

Sources: Reuters, OTP Research

Summary

- Romania's Q2 2016 GDP data brought large positive surprises: 6.0% YoY / 1.5% QoQ.
- The EUR/RON finished broadly flat on Thursday.
- Yesterday the BET changed little, while its European peers finished in the green.

Romania's second-quarters flash GDP data caused a huge positive surprise, beating by a large margin both the market's (Reuters consensus: 4.1% YoY) and our (4.5% YoY) expectations. According to the NIS's statistics released this morning, Romania's economy surged by 6.0% YoY in the second quarter of 2016, up from the 4.3% YoY advance Q1 (gross data), while in QoQ comparison the country's GDP expanded by 1.5% (seasonally and working day adjusted data). At the same time, the latest evolution of high-frequency indicators confirmed our expectations about a rebound in June, after May's disappointing figures. We suspect that market services and construction works continued to register large positive contributions to growth in Q2, while industry probably had a more sluggish evolution. Nevertheless, the monthly indicators related to the non-farm private sector did not signal as strong dynamics as the Q2 GDP data showed. Therefore, we also deem that agricultural output added some extra support to the economy in the second quarter. On the demand side, most likely the skyrocketing real wages bolstered households' consumption expenditures further, while fixed capital formation possibly accelerated in Q2, providing strong support for the economy. In the light of the definitely robust evolution in Q2, we put our 2016's 4.3% growth forecast under revision.

Thursday's trading on global financial markets was rather optimistic, fuelled by rallying crude oil prices as well as positive economic data and company earnings updates. Yesterday the CEE region's currencies mostly appreciated against the euro, while the EUR/RON was traded sideways. Compared to the USD, Romania's leu lost some ground, after the US dollar firmed versus the euro, as latest economic updates suggested that the US economy continues to outperform its European rivals.

Despite the supportive trading mood, the BVB's indices barely changed. The BET registered a less than 0.1% gain, after its components moved in different directions.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
11-Aug	Thursday	June	Turnover of market serv. provided to the population (YoY%)	10.8		10.3
		June	Industrial production (YoY%)	1.1		1.2
12-Aug	Friday	June	Wholesale turnover index (YoY%)	6.0		8.8
		June	Turnover of market serv. rendered mainly to enterp. (YoY%)	11.0		10.5
		Q2 2016	Flash GDP growth rate (YoY%)	6.0	4.1	4.3
		June	Construction works (YoY%)	5.6		9.9
15-Aug	Monday	June	CA balance (EUR mn, YTD)			-2,600
			no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		10-Aug-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.6936	↑ 5.05	↑ 2.25	↓ -1.23		
OTP Obligatiuni	RON	14.6113	↑ 0.78	↑ 2.48	↑ 4.18		
OTP ComodisRO	RON	17.0212	↑ 0.12	↑ 0.91	↑ 1.49		
OTP Euro Bond	EUR	12.6478	↑ 0.78	↑ 1.98	↑ 3.87		
OTP Dollar Bond	USD	10.8221	↑ 0.39	↑ 2.40	↑ 3.11		
OTP Premium Return	RON	10.9614	↑ 1.00	↑ 2.27	↑ 1.38		
OTP Euro Premium Return	EUR	9.9245	↑ 1.83	↑ 0.93	n.a.		
OTP Global Mix	RON	10.4645	↑ 2.51	↑ 4.65	n.a.		

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