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Daily Report – Romania

Date: 29.08.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,998.51	↑ 0.19	↑ 1.80
BET-TR	8,642.55	↑ 0.19	↑ 1.83
BET-FI	29,017.41	↑ 0.19	↑ 1.83
BET-XT	633.17	↑ 0.25	↑ 1.91
SNG	23.6500	↑ 0.21	↑ 2.60
FP	0.7870	↑ 0.25	↑ 1.55
TGN	297.0000	↑ 0.68	↑ 3.85
TLV	2.3850	→ 0.00	↑ 0.63
SIF1	1.6460	↓ -0.24	↑ 4.97

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.43	→ 0.0	→ 0.0
12 month	0.55	↑ 0.5	↑ 1.0
3 year	1.46	↓ -0.5	↓ -0.5
5 year	2.10	↑ 0.5	↓ -2.5
10 year	2.85	↑ 2.0	↑ 1.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	12M	RON 800 mn	RON 800 mn
Thursday	7.7Y	RON 500 mn	RON 646.3 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.55	↓ -1.0	↑ 7.0
3M ROBOR	0.77	→ 0.0	→ 0.0
6M ROBOR	1.01	→ 0.0	↓ -1.0
1Y ROBOR	1.16	→ 0.0	↑ 1.0
5Y CDS	99.39	→ 0.0	↓ -0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4520	↓ -0.11	↓ -0.09
USD/RON	3.9791	↓ -0.03	↑ 1.14
CHF/RON	4.0649	↓ -0.11	↓ -0.60
100HUF/RON	0.0144	↑ 0.08	↑ 0.63

Sources: Reuters, OTP Research

Summary

- In July, the number of licenses for residential buildings fell 10.1% on annual basis.
- Romania's public budget finished the period of January-July 2016 with 0.2% deficit.
- The EUR/RON eased slightly on Monday.
- Yesterday the BET outperformed its main Western European rivals.

In July, the number of construction permits for new residential buildings stood at 3,569, which is 10.1% lower than a year earlier, according to the report the National Institute of Statistics released yesterday. In June, the number of licenses slumped 9.5% YoY, while they decreased by 1.1% YoY in the period of January-July 2016. The more pronounced setback in the intentions of starting to build new homes in the latest period may be also related to the mortgage discharge law, implemented in recent months.

In the first seven months of the year Romania's budget deficit stood at RON 1.7 bn (0.2% of GDP), the Ministry of Finance said. A year earlier, the government budget registered a surplus in value of RON 7.4 bn (1.0% of GDP).

The EUR/RON ended Monday's session slightly lower, while Romania's leu was broadly flat against the US dollar, after it lost more ground on the back of Janet Yellen's speech in Jackson Hole last Friday. The Fed chair indicated that interest rate hikes should come, as the US labour market is stable and consumption growth is steady.

Stock markets in Europe mostly finished lower, after the rather hawkish messages of the Federal Reserve left their mark on Monday's trading sentiment. On the other hand, Romania's BET outperformed the benchmark indices of Western Europe, pointing to a 0.2% gain, with Electrica (+1.2%) and Transgaz (+0.7%) advancing the most. At the same time, the main US equity indices inched up as well, helped by financial stocks, which may benefit from higher interest rates.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
24-Aug	Wednesday	July	M3 (broad money, YoY%)	13.3	13.1
		July	Non-government loans (YoY%)	1.8	1.2
		July	Non-government deposits (YoY%)	12.2	12.3
25-Aug	Thursday		no data		
26-Aug	Friday		no data		
29-Aug	Monday	July	Licenses for residential buildings (YoY%)	10.1	-9.5
30-Aug	Tuesday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		26-Aug-16					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	8.8901	↑	4.41	↑	4.56	↑ 6.81
OTP Obligatiuni	RON	14.6484	↑	0.78	↑	2.74	↑ 3.92
OTP ComodisRO	RON	17.0319	↑	0.12	↑	0.98	↑ 1.47
OTP Euro Bond	EUR	12.6767	↑	0.78	↑	2.21	↑ 2.84
OTP Dollar Bond	USD	10.8416	↑	0.52	↑	2.59	↑ 3.16
OTP Premium Return	RON	11.0053	↑	1.00	↑	2.68	↑ 4.45
OTP Euro Premium Return	EUR	9.9302	↑	1.25	↑	0.99	n.a.
OTP Global Mix	RON	10.4615	↑	1.12	↑	4.62	n.a.

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