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# Daily Report – Romania

Date: 09.09.2016

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,027.24	↓ -0.48	↑ 0.32
BET-TR	8,682.52	↓ -0.48	↑ 0.36
BET-FI	29,173.27	↓ -1.38	↓ -0.77
BET-XT	636.34	↓ -0.58	↑ 0.20
FP	0.7880	↓ -1.50	↓ -0.25
TLV	2.3600	↑ 0.43	↓ -0.84
SNG	24.2000	↓ -0.82	↑ 2.76
SIF3	0.2830	↑ 1.62	↑ 2.17
SIF5	1.5860	↓ -6.38	↓ -5.82

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.44	↑ 1.0	↓ -1.0
12 month	0.53	↑ 0.5	↓ -2.5
3 year	1.47	⇒ 0.0	⇒ 0.0
5 year	2.12	↑ 1.0	↓ -0.5
10 year	2.92	↑ 2.5	↑ 1.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	12M	RON 1000 mn	RON 1000 mn
Thursday	4.5Y	RON 500 mn	RON 500 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.44	↓ -1.0	↓ -3.0
3M ROBOR	0.74	⇒ 0.0	↓ -2.0
6M ROBOR	0.96	⇒ 0.0	↓ -1.0
1Y ROBOR	1.11	⇒ 0.0	↓ -2.0
5Y CDS	98.06	↑ 0.9	↑ 0.9

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4436	↓ -0.18	↓ -0.11
USD/RON	3.9560	↑ 0.16	↓ -0.80
CHF/RON	4.0549	↓ -0.12	↓ -0.31
100HUF/RON	0.0144	↓ -0.49	↑ 0.15

Sources: Reuters, OTP Research

**Summary**

- Romania's annual inflation climbed to -0.2% YoY in August, up from -0.8% YoY a month earlier.
- Both the turnover index of industrial trade and new orders in manufacturing slipped in July (-3.3% YoY and -1.9% YoY).
- The leu firmed somewhat compared to the EUR, but lost ground against the USD on comments from FOMC voting members.
- Stock markets finished mostly in negative territory on Friday.

The annual rate of inflation climbed to -0.2% YoY in August, from -0.8% YoY a month earlier, the National Institute of Statistics said this morning. In month-over-month comparison, consumer prices increased by 0.1%. In annual terms, the less negative CPI growth figure was due to several items, such as the group of non-food prices, which dropped only 1.4% YoY in August, after July's 2.2% YoY fall. This was primarily due to the fading impact of last year's plunge in crude oil prices as well as rapidly rising CPI in the case of tobacco and cigarettes. At the same time, food good price growth accelerated too, pointing to a 2.0% YoY increase last month, after July's 1.3%. On the other hand, services prices pulled back, among others due to lower telephone charges. As a result, they fell more than a month earlier (-1.0% YoY in August vs. -0.9% YoY in July).

In July, the turnover index of industrial trade shrank by 3.3% YoY, after adding 3.2% YoY in June, first of all dragged down by the sector of mining and quarrying. Moreover, new orders in manufacturing shed as well by 1.9% YoY in July, the NIS revealed this morning. The fresh data suggests that industry had a relatively weak start in Q3, after a quite sluggish evolution in the period of April-June.

Tomorrow current account balance data and the turnover index of market services provided to the population will be published.

On Friday, the leu firmed somewhat compared to the common European currency, but lost ground against the US dollar, after the EUR/USD moved lower on the back of comments from Fed policy makers about a potential rate hike.

The reviving speculations on an earlier than previously thought interest rate increase in the USA left their mark on Friday's trading sentiment. Accordingly, the main US and Western European stock indices finished the day in red zone. The BET was not an exception, easing around 0.5% on Friday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
7-Sep	Wednesday		no data		
8-Sep	Thursday		no data		
9-Sep	Friday	July	Exports (FOB, YoY%)	-4.6	3.7
		July	Imports (CIF, YoY%)	-4.1	2.7
12-Sep	Monday	August	Consumer price index (YoY%)	-0.2	-0.8
		July	Industrial trade turnover index (YoY%)	-3.3	3.2
		July	Index value of new orders in manufacturing (YoY%)	-1.9	17.9
13-Sep	Tuesday	July	Turnover of market serv. provided to the population (YoY%)		10.8
		July	CA balance (EUR mn, YTD)		-2,507

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		8-Sep-16					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	9.0461	↑	3.88	↑	6.40	↑ 8.01
OTP Obligatiuni	RON	14.6934	↑	0.77	↑	3.06	↑ 4.16
OTP ComodisRO	RON	17.0397	↑	0.12	↑	1.02	↑ 1.47
OTP Euro Bond	EUR	12.7140	↑	0.74	↑	2.51	↑ 3.11
OTP Dollar Bond	USD	10.8584	↑	0.48	↑	2.75	↑ 3.24
OTP Premium Return	RON	11.0686	↑	1.00	↑	3.27	↑ 4.78
OTP Euro Premium Return	EUR	9.9773	↑	0.80	↑	1.47	n.a.
OTP Global Mix	RON	10.5202	↑	0.71	↑	5.21	n.a.

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