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Daily Report – Romania

Date: 27.09.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,913.08	↓ -0.60	↓ -0.96
BET-TR	8,539.57	↓ -0.60	↓ -0.96
BET-FI	29,145.19	↓ -0.03	↓ -0.33
BET-XT	625.97	↓ -0.51	↓ -0.96
TLV	2.3700	↓ -1.46	↑ 0.42
EL	13.8600	↑ 1.61	↑ 1.17
FP	0.8010	↑ 0.12	↑ 0.25
SNG	22.7000	↓ -1.09	↓ -5.22
COTE	74.8000	↑ 0.54	↑ 1.08

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.42	→ 0.0	↓ -1.0
12 month	0.52	↓ -0.5	↓ -0.5
3 year	1.40	→ 0.0	↓ -6.5
5 year	2.09	↓ -0.5	↓ -5.5
10 year	2.85	↓ -4.0	↓ -11.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.2Y	RON 500 mn	RON 645 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.46	↓ -5.0	↑ 4.0
3M ROBOR	0.68	↓ -4.0	↓ -2.0
6M ROBOR	0.92	↓ -2.0	↓ -2.0
1Y ROBOR	1.07	↓ -2.0	↓ -2.0
5Y CDS	94.94	→ 0.0	↓ -4.4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4490	↓ -0.02	↓ -0.02
USD/RON	3.9670	↑ 0.31	↓ -0.64
CHF/RON	4.0863	↑ 0.06	↑ 0.26
100HUF/RON	0.0145	↓ -0.24	↑ 0.29

Sources: Reuters, OTP Research

Summary

- Little excitement on the market of the EUR/RON.
- Yesterday, the ROBOR 3M hit another record low, at 0.68%.
- The BET eased in line with its Western European peers.

The EUR/RON brought little excitement on Tuesday, as the pair continued to be traded in a very tight range, which have characterized the leu's market in recent weeks. At the same time, Poland's zloty modestly firmed against the euro, while Hungary's forint mildly weakened. Simultaneously, the USD benefited from the opinions, according to which Democratic candidate Hillary Clinton performed better in Monday's debate against her Republican rival, Donald Trump. Ms Clinton is viewed by numerous analysts as a more likely nominee for US presidency, which is positive for the greenback. As a result, the EUR/USD eased by around 0.3% on Tuesday.

Yesterday interbank lending rates eased remarkably, in the range of 2-5 basis points, causing the ROBOR 3M to hit a new historical low, at 0.68%. The falling ROBOR rates suggested that excess liquidity remained at a high level or even increased further in the most recent period. We also recall that the budget deficit continued to rise, pointing to a RON 3.1 bn gap (0.4% of GDP) at the end of August (a year earlier it registered RON 6.5 bn surplus), while it may continue to widen as the deficit target is set to 2.8% of GDP for the entire year. Taking into account that government expenditures most likely will grow in the last few months of 2016 and that the largest part of this year's financing need of the budget is already covered, interbank rates could remain under some pressure, staying at relatively low levels in near term.

Yesterday's trading on the key European stock markets started with modest optimism in the light of Monday's presidential debate, but the enthusiasm faded later among others due to falling oil prices, as the likelihood of a deal about a freeze on crude production has apparently reduced. Today the largest oil producing countries meet in Algeria. The BET finished in red zone (-0.6%) broadly in line with Germany's DAX (-0.3%) and Paris' CAC40 (-0.2%). The weakest performance among the BET's components was registered by OMW Petrom (-1.6%) and Banca Transilvania (-1.5%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
23-Sep	Friday	August	M3 (broad money, YoY%)	12.7	13.3
		August	Non-government loans (YoY%)	0.7	1.8
		August	Non-government deposits (YoY%)	11.8	12.2
26-Sep	Monday		no data		
27-Sep	Tuesday		no data		
28-Sep	Wednesday		no data		
29-Sep	Thursday	September	Economic Sentiment Indicator		104.2
			Consumer Confidence Indicator		-19.5

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		26-Sep-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.9355	↑ 0.51	↑	5.10	↑	6.38
OTP Obligatiuni	RON	14.7087	↑ 0.41	↑	3.16	↑	4.12
OTP ComodisRO	RON	17.0509	↑ 0.11	↑	1.09	↑	1.47
OTP Euro Bond	EUR	12.7226	↑ 0.36	↑	2.58	↑	3.11
OTP Dollar Bond	USD	10.8661	↑ 0.23	↑	2.82	↑	3.31
OTP Premium Return	RON	11.0506	↑ 0.99	↑	3.10	↑	4.54
OTP Euro Premium Return	EUR	9.9941	↑ 0.64	↑	1.64		n.a.
OTP Global Mix	RON	10.4466	↓ -0.14	↑	4.47		n.a.

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