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# Daily Report – Romania

Date: 03.10.2016

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,956.48	↑ 0.28	↑ 0.02
BET-TR	8,593.18	↑ 0.28	↑ 0.02
BET-FI	29,226.57	↑ 0.45	↑ 0.25
BET-XT	629.84	↑ 0.33	↑ 0.11
TGN	305.0000	↓ -0.33	⇒ 0.00
SNG	23.5000	↑ 1.08	↑ 2.40
FP	0.8020	↓ -0.12	↑ 0.25
SIF3	0.2795	⇒ 0.00	↓ -0.53
SIF2	0.7660	↑ 1.06	↑ 2.27

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.41	⇒ 0.0	↓ -1.0
12 month	0.52	⇒ 0.0	↓ -0.5
3 year	1.38	↓ -1.0	↓ -2.0
5 year	2.09	↑ 0.5	↓ -0.5
10 year	2.85	↑ 0.5	↓ -4.0

**GOV'T BOND AUCTIONS**

Maturity	Auctions	Sold

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.46	↓ -3.0	↓ -5.0
3M ROBOR	0.69	⇒ 0.0	↓ -3.0
6M ROBOR	0.92	⇒ 0.0	↓ -2.0
1Y ROBOR	1.08	↓ -1.0	↓ -1.0
5Y CDS	94.94	⇒ 0.0	⇒ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4519	↑ 0.20	↑ 0.04
USD/RON	3.9670	↑ 0.37	↑ 0.31
CHF/RON	4.0781	↑ 0.09	↓ -0.14
100HUF/RON	0.0144	↑ 0.15	↓ -0.34

Sources: Reuters, OTP Research

**Summary**

- Romania's leu weakened against the US dollar, after the EUR/USD dipped lower yesterday.
- The FX reserves of the NBR expanded for the third consecutive months in September, hitting its highest level since 2013.
- Producer prices decreased by 1.9% YoY in August, after July's 2.3% YoY fall.
- The BET inched higher yesterday, broadly in line with its European peers.

Romania's leu lost ground against the US dollar yesterday, after the greenback firmed compared to the euro in the light of a favourable report on the US manufacturing sector. At the same time, the EUR/RON finished Monday's trading near 4.45, which seemed to be a key level for the pair in recent weeks.

The central bank's foreign exchange reserves grew for the third consecutive month in September, reaching EUR 33.3 bn, after August's EUR 33.0 bn, according to a statement of the NBR. The more than EUR 330 mn gain was due to inflows in value of EUR 735 mn, outpacing outflows of EUR 404 mn, as inflows were supported by higher transfers into the European Commission's account (EUR 573 mn). We recall that the Board of NBR recently decided to lower the minimum reserve requirement ratio for FX liabilities by 2 percentage points, to 10%. Our estimations indicates that this action could have around EUR 500 mn negative impact on the central banks' FX reserve, which seems to be quite negligible in the light of the favourable trend seen in the latest period.

Producer prices remained in negative territory on annual basis, declining by 1.9% YoY in August. Nevertheless, this drop was smaller than a month earlier, when the price index fell by 2.3% YoY.

Tomorrow morning August's retail trade statistics will see the light of day.

The main global equity markets ended the first trading day of the week mixed. In Europe, the benchmark indices inched higher, but US stocks closed mostly in red zone on Monday. The BVB's indices followed their Western European peers and registered modest gains on low volumes, with the BET climbing 0.3%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
29-Sep	Thursday	September	Economic Sentiment Indicator	103.5	104.2
			Consumer Confidence Indicator	-20.0	-19.5
30-Sep	Friday	August	ILO unemployment rate (% , seasonally adjusted)	6.0	6.1
		August	Licenses for residential buildings (YoY%)	-16.7	10.1
		September	Base rate decision (%)	1.75	1.75
3-Oct	Monday	August	Tourists' overnight stays (YoY%)	9.7	7.5
		September	FX Reserves, EUR bn	33.3	33.0
4-Oct	Tuesday	August	Producer Price Index (YoY%)	-1.9	-2.3
5-Oct	Wednesday	August	Retail trade (YoY%)		11.7

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		30-Sep-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.9502	↓ -0.02	↑	5.27	↑	7.78
OTP Obligatiuni	RON	14.7143	↑ 0.41	↑	3.20	↑	4.11
OTP ComodisRO	RON	17.0531	↑ 0.11	↑	1.10	↑	1.47
OTP Euro Bond	EUR	12.7296	↑ 0.38	↑	2.64	↑	3.18
OTP Dollar Bond	USD	10.8672	↑ 0.20	↑	2.83	↑	3.42
OTP Premium Return	RON	11.0358	↑ 0.99	↑	2.97	↑	4.64
OTP Euro Premium Return	EUR	9.9773	↑ 0.25	↑	1.47		n.a.
OTP Global Mix	RON	10.4462	↓ -0.40	↑	4.47		n.a.

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