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Daily Report – Romania

Date: 12.10.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,919.39	↓ -0.11	↓ -0.64
BET-TR	8,547.34	↓ -0.11	↓ -0.64
BET-FI	28,805.40	↓ -0.03	↓ -1.05
BET-XT	624.77	↓ -0.12	↓ -0.70
TEL	29.2500	↑ 0.17	↑ 0.86
FP	0.8070	↑ 0.37	↓ -0.12
TLV	2.4250	↓ -0.21	↓ -0.41
EL	13.4800	↓ -0.15	↓ -1.03
SNP	0.2360	⇒ 0.00	↓ -1.87

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.42	⇒ 0.0	↑ 1.5
12 month	0.54	⇒ 0.0	↑ 1.5
3 year	1.39	↓ -1.0	↑ 0.5
5 year	2.16	↓ -1.0	↑ 4.0
10 year	2.94	⇒ 0.0	↑ 6.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.4Y	RON 600 mn	RON 600 mn
Thursday	12M	RON 800 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.44	⇒ 0.0	↑ 1.0
3M ROBOR	0.69	⇒ 0.0	⇒ 0.0
6M ROBOR	0.93	⇒ 0.0	↑ 1.0
1Y ROBOR	1.08	⇒ 0.0	↓ -1.0
5Y CDS	96.27	⇒ 0.0	↑ 1.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5000	↑ 0.32	↑ 0.90
USD/RON	4.0874	↑ 0.73	↑ 2.67
CHF/RON	4.1272	↑ 0.62	↑ 0.99
100HUF/RON	0.0147	↑ 0.11	↑ 0.66

Sources: Reuters, OTP Research

Summary

- Most likely market services remained the main driver of the economy in Q3, this morning's statistics suggested.
- The RON was under weakening pressure in yesterday's rather unfavourable sentiment; the US dollar continued to gain ground on rate hike expectations.
- Today the Treasury aims to borrow RON 800 mn through 12M bills.
- Bucharest's BET dipped 0.1%, while the key European indices eased 0.4%-0.7%.

The turnover index of wholesale trade inched up 1.6% MoM (seasonally and working day adjusted data) and grew by 15.1% in annual terms (gross data) in August, the NIS said this morning. At the same time, turnover in the case of market services rendered mainly to enterprises added 1.8% MoM (SWDA) and 13.0% YoY (gross data). The fresh statistics indicate that most likely market services remained the main driver of the economy in Q3.

In yesterday's rather gloomy trading sentiment, the CEE region's currencies came under weakening pressure. Similarly to its rivals, like Poland's zloty and the Hungarian forint, Romania's leu also depreciated compared to the euro, lifting the EUR/RON around 0.3% higher, to 4.50 at the end of the day, on low volumes. At the same time, the RON lost even more ground against the USD, after the minutes from the latest Fed policy meeting suggested that a rate hike remained in the cards. Yesterday the US dollar strengthened against the euro for the third consecutive day, driving the pair near 1.10, the lowest level since the end of July.

Today the Treasury puts up for sale RON 800 mn debt via twelve-month bills.

Yesterday the leading European stock indices finished 0.4%-0.7% lower amid declining oil prices, while Bucharest's BET fared slightly better, pointing to only 0.1% loss. Simultaneously, the BVB's investment fund index closed practically flat. On the other side of the Atlantic, US stocks showed little variation on Wednesday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
10-Oct	Monday	August	Exports (FOB, YoY%)	13.4	-4.6
		August	Imports (CIF, YoY%)	14.4	-4.2
	August	Industrial trade turnover index (YoY%)	9.3	-2.9	
		Index value of new orders in manufacturing (YoY%)	17.0	-1.8	
11-Oct	Tuesday	August	Turnover of market serv. provided to the population (YoY%)	2.5	6.8
		September	Consumer price index (YoY%)	-0.6	-0.2
12-Oct	Wednesday	August	Construction works (YoY%)	-5.3	-1.6
		August	Industrial production (YoY%)	5.2	-3.4
13-Oct	Thursday	August	Wholesale turnover index (YoY%)	15.1	5.1
		August	Turnover of market serv. rendered mainly to enterp. (YoY%)	13.0	8.2

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		11-Oct-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.9877	↓ -0.32	↑	5.71	↑	7.12
OTP Obligatiuni	RON	14.6916	↑ 0.02	↑	3.04	↑	3.64
OTP ComodisRO	RON	17.0656	↑ 0.15	↑	1.18	↑	1.50
OTP Euro Bond	EUR	12.7034	↓ -0.04	↑	2.42	↑	2.81
OTP Dollar Bond	USD	10.8549	↓ -0.01	↑	2.71	↑	2.87
OTP Premium Return	RON	11.0540	↑ 0.99	↑	3.14	↑	4.36
OTP Euro Premium Return	EUR	9.9704	↓ -0.04	↑	1.40		n.a.
OTP Global Mix	RON	10.5137	↑ 0.43	↑	5.15		n.a.

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