

Date: 26.10.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,782.31	↓ -0.16	↓ -1.39
BET-TR	8,377.98	↓ -0.16	↓ -1.39
BET-FI	28,645.20	↓ -0.27	↓ -1.03
BET-XT	614.32	↓ -0.17	↓ -1.34
FP	0.8040	↓ -0.12	→ 0.00
TLV	2.2750	↓ -1.09	↓ -4.01
SNG	23.3000	→ 0.00	↓ -0.43
SNP	0.2270	↓ -1.30	↓ -2.58
BRD	10.9400	↑ 1.48	↓ -2.32

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.42	↑ 0.5	↓ -1.5
12 month	0.53	↓ -0.5	↓ -2.0
3 year	1.38	↑ 1.0	↓ -2.0
5 year	2.11	↓ -0.5	↓ -7.0
10 year	2.96	↓ -0.5	↓ -7.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.2Y	RON 500 mn	RON 500 mn
Thursday	2.3Y	RON 600 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.63	↑ 11.0	↑ 19.0
3M ROBOR	0.72	↑ 3.0	↑ 2.0
6M ROBOR	0.95	↑ 2.0	↑ 2.0
1Y ROBOR	1.08	→ 0.0	→ 0.0
5Y CDS	95.83	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4994	↑ 0.15	↑ 0.01
USD/RON	4.1232	↓ -0.07	↑ 0.61
CHF/RON	4.1502	↑ 0.02	↑ 0.16
100HUF/RON	0.0146	↑ 0.04	↓ -0.66

Sources: Reuters, OTP Research

Summary

- The EUR/RON was traded slightly higher, broadly in line with the moves of the other currencies of the CEE region; the debt discharge law will be again on the table of the Constitutional Court today.
- The MoF aims to borrow RON 600 mn via 2.3Y bonds today.
- On Wednesday, the ROBOR 3M rose by 3 basis points, to 0.72%.
- The BET followed its Western European peers and finished 0.2% lower yesterday.

In yesterday's unresponsive global trading sentiment, the currencies of the CEE region depreciated slightly against the euro. The leu was not an exception, hence the EUR/RON ended a bit higher, while the euro posted gains compared to the greenback too. Today the Constitutional Court will discuss further the contestations of banks regarding the debt to discharge law. Earlier, the law was considered by the Court to be partially unconstitutional.

Today the Ministry of Finance will hold the last government security auction of the month, by putting up for sale RON 600 mn though bonds, which will reach to maturity in February 2019.

Simultaneously, the yields on the benchmark government papers moved in mixed directions, pointing to small changes yesterday. Nevertheless, the yield curve shifted 4 basis points lower on average in weekly comparison, with the most significant movements at the 5Y and 10Y maturities. Meanwhile, the ROBOR 3M, probably the most important reference rate for clients with variable interest rates climbed 3 basis points higher, to 0.72% on Wednesday.

In Europe, a new bunch of company earnings updates was in the focus of equity investors yesterday. The fresh financial reports caused some disappointments, dragging down the main stock indices of the old continent. At the closing bell, London's main benchmark, the FTSE100 stood in the red zone (-0.9%), but Germany's DAX and the French CAC 40 were also 0.4% and 0.1% lower. The leading Romanian indices shed modestly too, giving back 0.2%-0.3% yesterday. The BET lost 0.2%, primarily pulled back by the stocks of OMW Petrom (-1.3%) and Banca Transilvania (-1.1%). On the other hand, the BRD and Transelectrica fared quite well, adding 1.5% and 1.0% respectively. Trading in the USA was rather unenthusiastic as well, driving the key equity benchmarks mostly lower. However, the Dow was able to record a slight gain (+0.2%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
24-Oct	Monday				
		no data			
25-Oct	Tuesday	September	M3 (broad money, YoY%)	12.2	12.7
		September	Non-government loans (YoY%)	1.2	0.7
		September	Non-government deposits (YoY%)	11.1	11.8
26-Oct	Wednesday				
		no data			
27-Oct	Thursday				
		no data			
28-Oct	Friday	September	Licenses for residential buildings (YoY%)		-16.7
		October	Economic Sentiment Indicator		103.5
		October	Consumer Confidence Indicator		-20.0

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		25-Oct-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.9548	↓ -0.22	↑	5.32	↑	6.65
OTP Obligatiuni	RON	14.7092	↑ 0.02	↑	3.17	↑	3.58
OTP ComodisRO	RON	17.0734	↑ 0.14	↑	1.22	↑	1.50
OTP Euro Bond	EUR	12.7123	↓ -0.08	↑	2.50	↑	2.72
OTP Dollar Bond	USD	10.8611	↓ -0.03	↑	2.77	↑	2.54
OTP Premium Return	RON	11.0680	↑ 0.99	↑	3.27	↑	4.15
OTP Euro Premium Return	EUR	10.0078	↑ 0.16	↑	1.78		n.a.
OTP Global Mix	RON	10.5576	↑ 0.79	↑	5.58		n.a.

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