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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,843.18	↑ 0.47	↑ 0.74
BET-TR	8,453.18	↑ 0.47	↑ 0.74
BET-FI	28,738.42	↑ 0.16	↑ 0.05
BET-XT	619.04	↑ 0.40	↑ 0.60
FP	0.8050	↓ -0.12	→ 0.00
TLV	2.3600	↑ 1.94	↑ 2.61
MCAB	9.0000	↑ 1.12	↑ 1.12
TGN	299.0000	↑ 0.34	↑ 1.36
BRD	11.0600	↑ 0.73	↑ 2.60

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.43	→ 0.0	↑ 2.0
12 month	0.56	↑ 1.5	↑ 2.0
3 year	1.38	↑ 1.5	↑ 1.5
5 year	2.14	↓ -1.0	↑ 3.0
10 year	3.03	→ 0.0	↑ 7.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	6.1Y	RON 400 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.62	↓ -1.0	↑ 10.0
3M ROBOR	0.73	→ 0.0	↑ 4.0
6M ROBOR	0.94	↓ -1.0	↑ 1.0
1Y ROBOR	1.08	↓ -1.0	→ 0.0
5Y CDS	95.83	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5055	↓ -0.04	↑ 0.29
USD/RON	4.0745	↓ -0.68	↓ -1.25
CHF/RON	4.1747	↑ 0.62	↑ 0.61
100HUF/RON	0.0146	↑ 0.17	↑ 0.52

Sources: Reuters, OTP Research

Summary

- The FX reserve of the NBR grew by EUR 1 bn, to EUR 34.3 bn in October.
- Tourists' overnight stay went up by 10.1% YoY in September.
- Yesterday the EUR/RON was relatively stable, while the US dollar lost ground on rising uncertainties about the US presidential elections.
- Despite the global headwinds, the BET inched up 0.5%, driven by banking shares.

The foreign exchange reserve of the National Bank of Romania expanded by more than EUR 1 bn in October, reaching EUR 34.35 bn, according to a press statement of the central bank released yesterday. The report revealed that inflows worth EUR 1,777 mn were fuelled by last month's eurobond issuance with nominal value of EUR 1,000 mn, as well as by the new funds (EUR 441) on the European Commissions' account. At the same time, outflows stood at EUR 729 mn. The gold stock of the NBR remained unchanged at 103.7 tonnes last month, the statement notes.

Tourists' overnight stays accelerated in September, surging 10.1% YoY, up from August's 9.7% YoY gain. Producer prices fell less in September (-1.5% YoY vs. -1.9% YoY a month earlier), the NIS also said this morning.

The EUR/RON had a relatively quiet day on Tuesday, ending the session only a touch lower, while other currencies of the CEE region also showed only limited changes on thin volumes, after Poland and Hungary celebrated All Saints Day holiday. Simultaneously, the US dollar lost ground compared to the euro on rising uncertainties over the forthcoming US presidential elections.

Trading sentiment on Europe's main stock exchanges had a negative tone yesterday, after several companies published disappointing earnings updates, pushing the benchmark indices 0.5%-1.3% lower. In addition, the tightening US presidential race seemingly also put pressure on equities, dragging down the S&P 500 index (-0.7%). On the other hand, Romania's BET was able to rise despite the global headwinds, adding 0.5% yesterday, after banking shares gave support with Banca Transilvania growing 1.9% and the BRD also advancing 0.7%. Meanwhile, equities' total turnover increased to RON 37 mn, getting a boost from trades with Fondul Proprietatea (RON 17.7 mn).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
28-Oct	Friday	September	Licenses for residential buildings (YoY%)	15.9	-16.7
		October	Economic Sentiment Indicator	104.0	103.5
		October	Consumer Confidence Indicator	-17.7	-20.0
31-Oct	Monday	no data			
1-Nov	Tuesday	October	FX Reserves, EUR bn	34.3	33.3
2-Nov	Wednesday	September	Tourists' overnight stays (YoY%)	10.1	9.7
		September	Producer Price Index (YoY%)	-1.5	-1.9
3-Nov	Thursday	September	ILO unemployment rate (% , seasonally adjusted)		6.0

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		31-Oct-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%	52W%	
OTP AvantisRO	RON	8.9574	↑ 0.08	↑	5.35	↑	6.25
OTP Obligatiuni	RON	14.6914	↓ -0.16	↑	3.04	↑	3.33
OTP ComodisRO	RON	17.0761	↑ 0.13	↑	1.24	↑	1.48
OTP Euro Bond	EUR	12.6898	↓ -0.31	↑	2.31	↑	2.48
OTP Dollar Bond	USD	10.8550	↓ -0.11	↑	2.71	↑	2.53
OTP Premium Return	RON	11.0641	↑ 0.99	↑	3.23	↑	3.60
OTP Euro Premium Return	EUR	9.9509	↓ -0.26	↑	1.20		n.a.
OTP Global Mix	RON	10.5348	↑ 0.85	↑	5.36		n.a.

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