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# Daily Report – Romania

Date: 07.11.2016

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,822.17	↑ 0.61	↑ 0.16
BET-TR	8,427.23	↑ 0.61	↑ 0.16
BET-FI	28,487.69	↓ -0.18	↓ -0.72
BET-XT	616.90	↑ 0.49	↑ 0.05
FP	0.7990	↓ -0.12	↓ -0.87
SNP	0.2275	↑ 2.02	↑ 0.89
TLV	2.3150	↑ 1.09	→ 0.00
BRD	11.0800	↓ -0.54	↑ 0.91
SNG	23.7500	↑ 1.06	↑ 1.28

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.45	↑ 0.5	↑ 1.5
12 month	0.58	↑ 0.5	↑ 3.5
3 year	1.38	↑ 0.5	↑ 1.5
5 year	2.18	→ 0.0	↑ 3.0
10 year	3.06	↓ -0.5	↑ 3.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	3.3Y	RON 400 mn	RON 400 mn
Thursday	14.9Y	RON 200 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.57	→ 0.0	↓ -6.0
3M ROBOR	0.73	→ 0.0	→ 0.0
6M ROBOR	0.94	↓ -1.0	↓ -1.0
1Y ROBOR	1.08	→ 0.0	↓ -1.0
5Y CDS	95.83	→ 0.0	→ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5011	↑ 0.04	↓ -0.14
USD/RON	4.0767	↑ 0.97	↓ -0.63
CHF/RON	4.1833	↑ 0.36	↑ 0.83
100HUF/RON	0.0147	↑ 0.18	↑ 0.87

Sources: Reuters, OTP Research

**Summary**

- The dollar rallied ahead of today's US presidential elections.
- Somewhat lower liquidity surplus characterized the banking sector in October, the NBR's data showed.
- The MoF borrowed RON 400 mn via 3.3Y bonds at 1.83% average yield yesterday.
- Global stock markets soared, while the BET also added 0.6% on Monday.

The EUR/RON showed little variation yesterday, with the pair ending the session practically flat. Nonetheless, Romania's leu lost around 1% against the greenback, after US authorities said that there were no new findings in the investigation in relation to US presidential nominee Hillary Clinton's emails. The news triggered a rally of the US dollar ahead of today's elections in the largest economy of the world.

The liquidity surplus of the banking system eased somewhat in October, the data of the National Bank of Romania revealed recently. According to fresh statistics, commercial banks held around RON 5.8 bn on average in the NBR's deposit standing facility last month, RON 2.4 bn less than in September. One of the reasons behind the drop could be the fact that the value of new issuances in government securities (about RON 3.7 bn) exceeded maturing debts (RON 0.7 bn) by a large margin in October, while the public budget deficit presumably also remained under control. Accordingly, the ROBOR ON and the ROBOR 3M climbed a bit higher in the last few days of the month. Nevertheless, the overall liquidity position of lending institutions still can be considered favourable, as the level of excess funds held at the NBR (RON 5.8 bn) is well above the longer-term historical average. Moreover, public expenses could rise significantly at the end of the year, based on previous experience.

Yesterday the Ministry of Finance borrowed RON 400 mn via 3.3Y bonds, in line with the targeted amount, after primary dealers submitted bids in value of RON 723.8 mn. The average accepted yield increased by one basis point compared to a similar auction a month earlier, to 1.83%.

After a quite long losing series, global stock markets rebounded yesterday, supported by the updates on Clinton's e-mail saga. The optimism was felt in Bucharest too, driving the BET 0.6%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
3-Nov	Thursday	September	ILO unemployment rate (% , seasonally adjusted)	5.9	6.0
4-Nov	Friday	November	Base rate decision (%)		1.75
7-Nov	Monday	September	Net wage growth rate (YoY%)	14.2	14.5
		September	Retail trade (YoY%)	9.7	12.8
8-Nov	Tuesday	no data			
9-Nov	Wednesday	September	Exports (FOB, YoY%)		13.4
		September	Imports (CIF, YoY%)		14.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		4-Nov-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.8528	↓ -1.39	↑	4.12	↑	3.76
OTP Obligatiuni	RON	14.6839	↓ -0.22	↑	2.99	↑	3.27
OTP ComodisRO	RON	17.0781	↑ 0.10	↑	1.25	↑	1.47
OTP Euro Bond	EUR	12.6786	↓ -0.41	↑	2.22	↑	2.36
OTP Dollar Bond	USD	10.8527	↓ -0.18	↑	2.69	↑	2.44
OTP Premium Return	RON	11.0544	↑ 0.99	↑	3.14	↑	3.09
OTP Euro Premium Return	EUR	9.9212	↓ -0.66	↑	0.90		n.a.
OTP Global Mix	RON	10.4462	↓ -0.28	↑	4.47		n.a.

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