

Headquarter Treasury Sales

Alexandru Tibuleac

0372 31 85 85

alexandru.tibuleac@otpbank.ro

Cristian Ilie

0372 31 85 86

ilie.cristian@otpbank.ro

Corina Bejan

0372 31 85 84

corina.bejan@otpbank.ro

Andreea Nica

0755 000 106

andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj

0755 000 400

szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti

0755 000 199

tudor.zaman@otpbank.ro

Alexandru Sabin - Arad

0730 577 959

alexandru.sabin@otpbank.ro



Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,859.05	↑ 0.23	↑ 0.20
BET-TR	8,472.78	↑ 0.23	↑ 0.20
BET-FI	28,898.27	↓ 0.00	↑ 0.69
BET-XT	621.90	↑ 0.20	↑ 0.29
BRD	11.1000	↑ 0.91	↓ -0.18
TLV	2.3500	↑ 0.21	↑ 0.86
FP	0.7940	→ 0.00	↑ 0.13
SNG	24.1500	↑ 0.42	↑ 0.42
TGN	300.0000	→ 0.00	↑ 0.33

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.61	↓ -0.5	↑ 13.0
12 month	0.74	→ 0.0	↑ 14.5
3 year	1.51	↑ 1.0	↑ 12.5
5 year	2.42	↓ -0.5	↑ 17.5
10 year	3.44	↓ -0.5	↑ 28.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2.3Y	RON 400 mn	RON 160 mn
Thursday	7.4Y	RON 300 mn	RON 154 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.49	↓ -2.0	↓ -6.0
3M ROBOR	0.81	→ 0.0	↑ 7.0
6M ROBOR	1.01	→ 0.0	↑ 7.0
1Y ROBOR	1.14	→ 0.0	↑ 5.0
5Y CDS	100.29	↑ 0.0	↑ 5.4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5160	↓ -0.08	↑ 0.23
USD/RON	4.2490	↑ 0.51	↑ 2.75
CHF/RON	4.2190	↓ -0.04	↑ 0.70
100HUF/RON	0.0146	↓ -0.08	↓ -0.47

Sources: Reuters, OTP Research

Summary

- The USD continued its rally, fuelled by intensifying rate hike expectations; the leu gained small ground versus the EUR.
- The Ministry of Finance sold only RON 154 mn in 7.4Y bonds versus the planned RON 300 mn.
- Optimism ruled global stock markets yesterday; the BET gained 0.2% on low volumes.

In yesterday's enthusiastic trading mood, the US dollar gained traction, after Fed Chief Janet Yellen said that an interest rate increase might come relatively soon. At the same time, the minutes of the European Central Bank's October meeting revealed that policy makers are open to providing further stimulus to boost the eurozone's economic recovery. With the latest advance of the greenback, the EUR/USD hit a one-year low at around 1.06. Meanwhile, the supportive market sentiment helped the CEE region's currencies to strengthen modestly compared to the euro, with Romania's leu also appreciating a bit.

On Thursday's auction of 7.4Y government bonds, the Ministry of Finance issued papers in value of RON 154 mn, significantly less than planned (RON 300 mn), after the bid-to-cover ratio reached only 0.8x. Meanwhile, the average accepted yield surged to 3.13%, up from 2.86% at the previous similar transaction in October. Nonetheless, the weak result was not a surprise in the light of recent increases of yields on the secondary market as well as the precedents of soft auctions after the US elections.

Money market lending rates mostly eased yesterday.

The leading indices of Europe performed well, after the ECB's latest minutes revealed that further stimulus could be in the cards. At the end of the day, the main equity benchmarks showed gains between 0.2% and 0.7%. On the other side of the Atlantic, investors' optimism was fuelled by favourable macroeconomic data, keeping the key indices in positive territory. Nevertheless, Romanian equities had a quiet session on low turnover (less than RON 14 mn). The BET finished with a timid, 0.2% advance on Thursday.

Today there is no important macroeconomic data to be released on the domestic front.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
15-Nov	Tuesday	September	Wholesale turnover index (YoY%)	8.4	14.8
		September			
		Q3 2016	Turnover of market serv. rendered mainly to enterp. (YoY%)	10.7	13.4
16-Nov	Wednesday	Flash GDP growth rate (YoY%)	4.4	5.1	6.0
16-Nov	Wednesday		no data		
17-Nov	Thursday	October	New passenger car registrations (YoY%)	5.1	62.7
18-Nov	Friday		no data		
21-Nov	Monday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		16-Nov-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.9688	↓ -0.09	↑	5.49	↑	5.56
OTP Obligatiuni	RON	14.6476	↓ -0.29	↑	2.74	↑	2.87
OTP ComodisRO	RON	17.0833	↑ 0.09	↑	1.28	↑	1.45
OTP Euro Bond	EUR	12.6259	↓ -0.58	↑	1.80	↑	1.87
OTP Dollar Bond	USD	10.8176	↓ -0.33	↑	2.36	↑	2.27
OTP Premium Return	RON	11.0610	↑ 0.99	↑	3.20	↑	3.56
OTP Euro Premium Return	EUR	9.8847	↓ -0.89	↑	0.53		n.a.
OTP Global Mix	RON	10.5870	↑ 0.42	↑	5.88		n.a.

Chief Economist
Gergely Tardos

+36 1 3747273

tardosg@otpbank.hu
Analyst
Csaba Bálint

+4021 3075896

csaba.balint@otpbank.ro

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