



Date: 21.11.2016

**STOCK EXCHANGE**

|        | Close     | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET    | 6,840.88  | ↑ 0.24         | ↓ -0.20         |
| BET-TR | 8,450.33  | ↑ 0.24         | ↓ -0.20         |
| BET-FI | 28,831.86 | ↓ -0.16        | ↑ 0.04          |
| BET-XT | 620.17    | ↑ 0.18         | ↓ -0.13         |
| TLV    | 2.3550    | ↑ 0.86         | ↓ -0.21         |
| FP     | 0.7930    | ↓ -0.13        | ↓ -0.25         |
| SNG    | 24.1500   | → 0.00         | ↓ -0.21         |
| BRD    | 11.0000   | ↑ 0.36         | ↑ 0.55          |
| TGN    | 300.0000  | → 0.00         | ↑ 0.33          |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 0.60      | ↓ -2.0          | ↓ -0.5           |
| 12 month | 0.76      | ↓ -0.5          | ↑ 2.5            |
| 3 year   | 1.54      | ↓ -0.5          | ↑ 2.5            |
| 5 year   | 2.46      | ↓ -0.5          | ↑ 3.5            |
| 10 year  | 3.50      | ↓ -2.0          | ↑ 5.5            |

**GOV'T BOND AUCTIONS**

|          | Maturity | Auctions   | Sold     |
|----------|----------|------------|----------|
| Monday   | 5.0Y     | RON 500 mn | RON 0 mn |
| Thursday | 12M      | RON 800 mn |          |

**MONEY MARKET**

|          | Rate (%/bp) | Daily chg (bp) | Weekly chg (bp) |
|----------|-------------|----------------|-----------------|
| ON ROBOR | 0.50        | ↑ 2.0          | ↓ -5.0          |
| 3M ROBOR | 0.81        | → 0.0          | ↑ 1.0           |
| 6M ROBOR | 1.02        | → 0.0          | ↑ 3.0           |
| 1Y ROBOR | 1.15        | → 0.0          | ↑ 2.0           |
| 5Y CDS   | 99.39       | ↓ 0.0          | ↑ 2.2           |

**FX MARKET**

|            | Rate   | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON    | 4.5100 | ↓ -0.07        | ↓ -0.09         |
| USD/RON    | 4.2439 | ↓ -0.40        | ↑ 0.91          |
| CHF/RON    | 4.2067 | ↓ -0.26        | ↓ -0.17         |
| 100HUF/RON | 0.0146 | ↓ -0.14        | ↑ 0.45          |

Sources: Reuters, OTP Research

**Summary**

- The USD caught a breath yesterday, after a strong rally, to finish modestly weaker.
- Debt managers rejected all of the bids in yesterday's bond auction; this was the second fully unsuccessful transaction in November.
- US stock benchmarks hit new record highs; the BET also inched up slightly.

On Monday the US dollar caught a breath after a ten-day winning streak, causing the EUR/USD to return slightly above 1.06. At the same time, the EUR/RON was traded a bit lower at the end of day, broadly in line with other currencies of the CEE region.

Yesterday the Ministry of Finance put up for sale RON 500 mn in a new issue of 5Y benchmark bonds, but the transaction was unsuccessful, after debt managers rejected all of the bids coming from banks. The eight primary dealers subscribed for RON 554.3 mn, but the proposed price apparently missed the required level aimed by the authorities. Nevertheless, Monday's unsuccessful auction should not be a surprise in the light of the latest few auctions, which were characterized by lower demand and increased average yields, especially in the case of longer-term papers. It may also be worth mentioning that the Ministry of Finance has significant liquidity buffers, allowing it a comfortable position in the face of lenders.

On the secondary market, the reference rates slightly eased, with the yield curve shifting lower by one basis point on average.

The main US equity benchmarks hit new record highs, with the S&P500 reaching 2,198 points, after it added around 0.8% yesterday. The optimism was fuelled by the somewhat weaker dollar and rallying oil prices. The rally of crude futures was triggered by strengthening hopes about a deal on a potential output freeze. In Europe, the key stock indices pointed to modest gains, as energy and mining companies advanced. Nevertheless, Italian banks dipped lower on worries ahead of the constitutional referendum on 4 December. Bucharest's leading indices showed little variation yesterday, closing the session mostly in the green. The BET gained 0.2%, supported primarily by Banca Transilvania (+0.9%) and OMW Petrom (+0.4%). On the downside, BVB and Nuclearelectrica shed 0.7% and 0.5% respectively. Meanwhile, the BET-FI index also lost around 0.2%.

| Date   | PERIOD    | INDICATOR | FACT                                   | CONSENSUS | PREVIOUS |
|--------|-----------|-----------|--|-----------|----------|
| 17-Nov | Thursday  | October   | New passenger car registrations (YoY%) | 5.1       | 62.7     |
| 18-Nov | Friday    |           |  | no data   |          |
| 21-Nov | Monday    |           |  | no data   |          |
| 22-Nov | Tuesday   |           |  | no data   |          |
| 23-Nov | Wednesday |           |  | no data   |          |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds |     | 18-Nov-16  |         |   |      |      |      |
|---------------------------|-----|------------|---------|---|------|------|------|
| Investment funds          | ccy | last NAV/U | 1m%     |   | Ytd% | 52W% |      |
| OTP AvantisRO             | RON | 8.9351     | ↓ -0.41 | ↑ | 5.09 | ↑    | 4.55 |
| OTP Obligatiuni           | RON | 14.6462    | ↓ -0.29 | ↑ | 2.73 | ↑    | 2.81 |
| OTP ComodisRO             | RON | 17.0847    | ↑ 0.09  | ↑ | 1.29 | ↑    | 1.45 |
| OTP Euro Bond             | EUR | 12.6221    | ↓ -0.59 | ↑ | 1.77 | ↑    | 1.80 |
| OTP Dollar Bond           | USD | 10.8122    | ↓ -0.39 | ↑ | 2.31 | ↑    | 2.16 |
| OTP Premium Return        | RON | 11.0548    | ↑ 0.99  | ↑ | 3.14 | ↑    | 3.10 |
| OTP Euro Premium Return   | EUR | 9.8972     | ↓ -0.75 | ↑ | 0.66 |      | n.a. |
| OTP Global Mix            | RON | 10.5847    | ↑ 0.18  | ↑ | 5.86 |      | n.a. |

**Chief Economist**
**Gergely Tardos**

+36 1 3747273

[tardosg@otpbank.hu](mailto:tardosg@otpbank.hu)
**Analyst**
**Csaba Bálint**

+4021 3075896

[csaba.balint@otpbank.ro](mailto:csaba.balint@otpbank.ro)

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