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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,915.35	↓ -0.47	↑ 1.16
BET-TR	8,542.31	↓ -0.47	↑ 1.16
BET-FI	29,015.09	↓ -0.20	↑ 1.50
BET-XT	626.65	↓ -0.41	↑ 1.22
BRD	11.1600	↑ 0.36	↑ 1.45
TLV	2.3700	↓ -0.84	↑ 0.85
EL	13.2800	↓ -0.90	↓ -1.78
SNP	0.2370	↓ -1.04	↑ 3.95
FP	0.7960	↓ -0.25	↑ 1.02

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.68	↑ 1.0	↑ 7.5
12 month	0.84	↑ 1.0	↑ 7.5
3 year	1.54	↑ 0.5	↑ 2.0
5 year	2.41	↓ -1.5	↓ -1.5
10 year	3.50	↑ 2.0	↑ 7.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.0Y	RON 300 mn	RON 300 mn
Thursday	3.2Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.52	↓ -1.0	↓ -3.0
3M ROBOR	0.80	↑ 1.0	↓ -1.0
6M ROBOR	1.05	↑ 1.0	↑ 2.0
1Y ROBOR	1.17	↑ 2.0	↑ 2.0
5Y CDS	99.40	↑ 0.0	↑ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4985	↓ -0.30	↓ -0.32
USD/RON	4.1792	↓ -1.20	↓ -1.79
CHF/RON	4.1515	↓ -0.81	↓ -1.10
100HUF/RON	0.0143	↓ -0.46	↓ -1.24

Sources: Reuters, OTP Research

Summary

- Yesterday global financial markets got over the news from Italy relatively swiftly.
- The NIS confirmed the country's GDP growth at 4.4% YoY and 0.6% QoQ in Q3 2016; domestic demand showed somewhat slower growth figures than a quarter earlier.
- Primary dealers bought 6Y bonds in value of RON 300 mn in yesterday's auction.
- Romania's BET underperformed its European rivals, sinking 0.5% on Monday.

On the back of Italy's referendum, in which voters rejected the reform proposals of Mr Renzi, causing the prime minister to resign from his position, the EUR/USD dipped as low as 1.05 in the early morning hours of yesterday's trading session. Nevertheless, the euro shook off the negative news quite swiftly and finished the day significantly stronger against the US dollar. Meanwhile, the RON was able to gain some ground even compared to the euro on Monday, ending around 4.50.

This morning the NIS published the detailed GDP statistics for Q3, leaving the country's economic growth estimates at 4.4% YoY (gross data) and 0.6% QoQ (seasonally and working day adjusted data). Both households' consumption expenditures and gross fixed capital formation slowed somewhat in the latest quarter.

Italy's "no" vote did not harm too much the buying interest of commercial banks, as they submitted bids in value of RON 535 mn on the first auction of the month, raising the bid-to-cover ratio close to 1.8x. This is significantly higher than at the previous transaction with the same ISIN (1.1x), however the average accepted yield increased remarkably, from 2.76% in November to 3.15% in December, after reference rates surged last month, on the back of the unexpected victory of Mr Donald Trump in the race for US presidency.

Indeed Italian stock mostly closed in negative territory, dragged down primarily by banking shares, but the main equity benchmarks of Europe registered gains at the end of the day, led by Germany's DAX (+1.3%) and the French CAC40 (+1.0%). At the same time, the BVB's indices shrank 0.1%-0.5%, with the BET easing 0.5%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
2-Dec	Friday	October	Producer Price Index (YoY%)	-0.5	-1.5
		November	FX Reserves, EUR bn	34.4	34.3
5-Dec	Monday	October	Retail trade (YoY%)	7.9	9.7
		October	Tourists' overnight stays (YoY%)	4.7	10.1
6-Dec	Tuesday	Q3 2016	Detailed GDP growth rate (YoY%, provisional data 1)	4.4	4.4
7-Dec	Wednesday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		2-Dec-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%	52W%	
OTP AvantisRO	RON	8.9574	↑ 0.63	↑	5.35	↑	5.52
OTP Obligatiuni	RON	14.6517	↓ -0.24	↑	2.76	↑	2.72
OTP ComodisRO	RON	17.0912	↑ 0.08	↑	1.33	↑	1.44
OTP Euro Bond	EUR	12.6246	↓ -0.46	↑	1.79	↑	1.71
OTP Dollar Bond	USD	10.8192	↓ -0.32	↑	2.38	↑	2.18
OTP Premium Return	RON	11.0733	↑ 0.99	↑	3.32	↑	3.01
OTP Euro Premium Return	EUR	9.9148	↓ -0.17	↑	0.83	↓	-0.74
OTP Global Mix	RON	10.5673	↑ 0.87	↑	5.68	↑	5.83

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