

Date: 09.12.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,894.98	↑ 0.49	↓ -0.77
BET-TR	8,517.14	↑ 0.49	↓ -0.77
BET-FI	29,085.71	↓ -0.09	↑ 0.05
BET-XT	625.15	↑ 0.34	↓ -0.65
SNG	24.2000	→ 0.00	↓ -1.43
TLV	2.3750	↑ 0.64	↓ -0.63
BRD	11.1200	↑ 0.91	→ 0.00
TGN	299.0000	↑ 0.34	↓ -0.33
EBS	126.0000	→ 0.00	↑ 6.78

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.66	↑ 0.5	↓ -0.5
12 month	0.81	→ 0.0	↓ -1.5
3 year	1.53	↑ 1.0	↓ -0.5
5 year	2.40	→ 0.0	↓ -3.0
10 year	3.49	↑ 2.0	↑ 1.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	4.3Y	RON 500 mn	
Thursday	2.2Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.48	↓ -2.0	↓ -5.0
3M ROBOR	0.80	→ 0.0	↑ 1.0
6M ROBOR	1.05	→ 0.0	↑ 1.0
1Y ROBOR	1.16	→ 0.0	↑ 1.0
5Y CDS	99.40	→ 0.0	↑ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5017	↑ 0.03	↓ -0.23
USD/RON	4.2636	↑ 0.61	↑ 0.79
CHF/RON	4.1858	↑ 0.38	↑ 0.01
100HUF/RON	0.0143	↓ -0.26	↓ -0.91

Sources: Reuters, OTP Research

Summary

- Social Democrats won Romania's parliamentary elections on Sunday (99% of ballots counted).
- The EUR/RON climbed slightly higher on Friday; the euro continued to lose ground against the US dollar.
- November's consumer price statistics will be published today.
- The MoF plans to sell RON 500 mn via 4.3Y bonds.
- Stock prices ended Friday in positive territory.

The latest results indicate that the leftist Social Democrats (PSD) won Romanian parliamentary elections on Sunday, by getting 46% of votes. Meanwhile, centre-right National Liberal Party (PNL) finished on the second place (over 20%), followed by the newcomer Save Romania Union party, the former prime minister Tariceanu led ALDE, Democratic Union of Hungarians in Romania and People's Movement Party.

Benign sentiment continued to rule global financial markets on Friday, after a day earlier the European Central Bank decided to extend its asset purchase programme until the end of 2017. On the news that extra loose monetary conditions are set to linger further in the eurozone, the EUR/USD started to sink sharply. On Friday, the pair finished well below 1.06. Meanwhile, Romania's leu depreciated slightly compared to the euro, in line with the Polish zloty and the Hungarian forint.

This week will be rich in economic events on both the domestic and external front. In the USA, the Federal Reserve will hold its monetary policy meeting on 13-14 December. According to market expectations, there is a very high probability that US policy makers will raise the benchmark interest rate, for the first time in a year.

Today Romania's statistical office will release consumer price data for November. The annual inflation rate rose to -0.43% in October, up from -0.57% YoY a month earlier, helped by rising fuel prices and by the weaker RON. Headline inflation might have remained flat in November (-0.45%), a Reuters survey said. Among others, industrial production, construction works and current account statistics will see the light of day later in the week.

Today the Ministry of Finance puts up for sale RON 500 mn debt via 4.3Y bonds.

On Friday, ahead of the weekend's general elections, the fixing rates of the benchmark yields on government securities rose by one basis point on average.

In November, commercial banks held RON 3.7 bn in the NBR's deposit standing facility, down from October's RON 5.8 bn. We recall that the public budget deficit stood at 0.2% of GDP in the period of January-October 2016 (cash basis), far below this year's target of 2.8%. This suggests that there is room in the public budget for higher spending, which may come at the end of the year, based on the patterns seen in the previous executions. Such expenditures would result in a higher liquidity surplus on the interbank market.

European stocks performed well on Friday, helped by the optimism on the back of the ECB decisions. Romanian equities also registered nice gains, with the BET advancing 0.5%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
12-Dec	Monday	October	Industrial trade turnover index (YoY%)		4.2
		October	Index value of new orders in manufacturing (YoY%)		15.1
		November	Consumer price index (YoY%)	-0.5	-0.4
		October	Exports (FOB, YoY%)		6.7
		October	Imports (CIF, YoY%)		6.5

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		8-Dec-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%	52W%	
OTP AvantisRO	RON	8.9573	↑ 0.71	↑	5.35	↑	5.14
OTP Obligatiuni	RON	14.6537	↓ -0.21	↑	2.78	↑	2.78
OTP ComodisRO	RON	17.0942	↑ 0.08	↑	1.35	↑	1.43
OTP Euro Bond	EUR	12.6255	↓ -0.41	↑	1.80	↑	1.80
OTP Dollar Bond	USD	10.8258	↓ -0.25	↑	2.44	↑	2.29
OTP Premium Return	RON	11.0520	↑ 0.99	↑	3.12	↑	2.97
OTP Euro Premium Return	EUR	9.8630	↓ -0.50	↑	0.31	↓	-0.14
OTP Global Mix	RON	10.6133	↑ 0.96	↑	6.14	↑	6.23

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