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Daily Report – Romania

Date: 03.01.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,164.35	↑ 1.12	↑ 2.15
BET-TR	8,849.91	↑ 1.12	↑ 2.15
BET-FI	30,078.78	↑ 1.24	↑ 2.75
BET-XT	651.28	↑ 1.22	↑ 2.36
BRD	11.6800	↓ -1.68	↑ 1.57
FP	0.8000	↑ 0.63	↑ 0.88
SNP	0.2775	↑ 6.32	↑ 6.32
TLV	2.3800	↓ -0.21	↑ 2.15
SNG	25.2000	↑ 0.80	↑ 1.82

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.74	↓ -2.0	↓ -3.5
12 month	0.86	↓ -1.5	↓ -6.5
3 year	1.52	↓ -3.5	↓ -4.5
5 year	2.38	↓ -5.0	↓ -10.0
10 year	3.45	↓ -4.5	↓ -15.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	2.2Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.54	↓ -2.0	↓ -6.0
3M ROBOR	0.87	↓ -3.0	↑ 2.0
6M ROBOR	1.12	↑ 1.0	↑ 1.0
1Y ROBOR	1.24	↓ -1.0	↑ 1.0
5Y CDS	100.29	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5226	↓ -0.29	↓ -0.26
USD/RON	4.3466	↑ 0.22	↑ 0.25
CHF/RON	4.2301	↓ -0.19	↑ 0.29
100HUF/RON	0.0146	↓ -0.26	↓ -0.50

Sources: Reuters, OTP Research

Summary

- The members of the new government were named yesterday.
- Romania's leu appreciated against the EUR on Tuesday.
- ROBOR rates mostly eased.
- In 2016, Romania's FX reserves increased by EUR 2 bn, to EUR 34.2 bn.
- The BET started well the year of 2017; OMW Petrom soared 6%.

The new government was announced on Tuesday. The cabinet will have 26 ministers, led by Mr Sorin Grindeanu. Simultaneously, Romania's leu appreciated significantly compared to the euro yesterday, broadly in line with other currencies of the CEE region. Nevertheless, the RON lost ground against the US dollar, as the latter benefited from optimism, fuelled by strong US manufacturing data.

Interbank lending rates mostly decreased on Tuesday, presumably helped by higher government spending at the end of the last year.

In December, Romania's foreign exchange reserves declined slightly, to EUR 34.2 bn down from EUR 34.4 bn a month earlier, after outflows (EUR 801 mn) outpaced inflows (EUR 656 mn), the National Bank of Romania reported yesterday. Nevertheless, the level of FX reserves surged by around EUR 2 bn compared to the same period of the previous year. Among others, the favourable evolution was due to significant inflows into the European Commission's account, as EU fund absorption improved in 2016. At the same time, the central bank's gold stock was unchanged at 103.7 tones.

Global stock markets started 2017 mostly on a positive note, helped also by benign manufacturing data from China and from the USA. The optimism seen in Asia in the early morning hours supported Western European markets too. London's FTSE100 registered the highest advance (+0.5%) among the leading indices, while the French CAC 40 rose by 0.4%. Nonetheless, Germany's DAX eased slightly (-0.1%) on Tuesday. At the same time, the main Romanian equity benchmark, the BET edged up 1.1% providing an encouraging start in 2017, after seven out of its ten components finished in the green zone. Among the BET's components, the shares of OMW Petrom showed the most remarkable performance, rallying more than 6%. On the other hand, banking sector stocks suffered, with the BRD giving up 1.7% and the TLV losing 0.2%. The key indices of the USA finished 0.6%-0.9% higher yesterday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
30-Dec	Friday	no data			
3-Jan	Tuesday	December	FX Reserves (EUR bn)	34.2	34.4
4-Jan	Wednesday	no data			
5-Jan	Thursday	November	Producer Price Index (YoY%)		-0.5
		November	Tourists' overnight stays (YoY%)		4.7
		November	Licenses for residential buildings (YoY%)		13.6

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		30-Dec-16					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	9.1450	↑	2.74	↑	7.56	↑ 7.56
OTP Obligatiuni	RON	14.6747	↑	0.13	↑	2.93	↑ 2.93
OTP ComodisRO	RON	17.1049	↑	0.09	↑	1.41	↑ 1.41
OTP Euro Bond	EUR	12.6475	↑	0.14	↑	1.97	↑ 1.97
OTP Dollar Bond	USD	10.8514	↑	0.27	↑	2.68	↑ 2.68
OTP Premium Return	RON	11.1582	↑	1.00	↑	4.11	↑ 4.11
OTP Euro Premium Return	EUR	9.9622	↑	0.36	↑	1.32	↑ 1.32
OTP Global Mix	RON	10.7950	↑	1.65	↑	7.96	↑ 7.96

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