

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

Date: 11.01.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,238.70	↓ -0.07	↑ 0.32
BET-TR	8,941.75	↓ -0.07	↑ 0.32
BET-FI	30,744.30	↑ 0.24	↑ 0.49
BET-XT	659.54	↓ -0.07	↑ 0.43
SNP	0.2875	↑ 0.52	↑ 2.50
FP	0.8230	↑ 0.86	↑ 0.98
TLV	2.3300	↓ -0.85	↓ -2.31
SNG	25.5000	↓ -0.20	↑ 0.20
MCAB	6.8400	↓ -3.39	↓ -18.38

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.72	↑ 2.5	↓ -1.0
12 month	0.93	↑ 6.5	↑ 7.0
3 year	1.52	↑ 3.0	→ 0.0
5 year	2.43	↑ 3.0	↑ 4.0
10 year	3.43	↑ 2.5	↓ -3.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	RON 500 mn	RON 483.2 mn
Thursday	3.1Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.43	↓ -1.0	↓ -9.0
3M ROBOR	0.82	→ 0.0	↓ -4.0
6M ROBOR	1.07	→ 0.0	↓ -5.0
1Y ROBOR	1.22	→ 0.0	↓ -2.0
5Y CDS	96.72	↓ -1.8	↓ -3.6

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4947	↓ -0.05	↓ -0.33
USD/RON	4.2483	↓ -0.29	↓ -1.18
CHF/RON	4.1891	↓ -0.01	↓ -0.57
100HUF/RON	0.0146	↑ 0.37	↓ -0.21

Sources: Reuters, OTP Research

Summary

- On Wednesday, Romania's leu showed limited movements against the euro.
- The latest easing measures of the new government may cost 1.1% of GDP, the Fiscal Council said recently.
- The Ministry of Finance plans to borrow RON 500 mn today.
- The yield curve shifted up yesterday.
- Modestly supportive sentiment characterized yesterday's trading on global stock markets; the BET eased marginally.

On Wednesday, the USD slightly weakened against the common European currency, following the first press conference of Mr Trump as US president-elect. In the CEE region, Hungary's forint performed well yesterday, while Romania's leu and the Polish zloty registered mild changes.

According to the estimations of the Fiscal Council, the latest easing measures of the Grindeanu cabinet may have a negative first-round impact of 1.1% of GDP on the government's deficit, as they are set to lift spending by RON 5.7 bn (0.7 pps) and cut revenues by RON 3.2 bn (0.4 pps). These loosening actions put pressure on the already stretched 2017's budget.

Today the Ministry of Finance puts up for sale RON 500 mn debt in 3.1Y bonds. The yield curve of government securities shifted up by 4 basis points on average yesterday. At the same time, interbank lending rates showed little variation.

In Western Europe, modest optimism ruled Wednesday's trading session on equity markets, helping the key indices to close in positive territory. This happened despite the day-end fall of pharmaceutical shares, after US President Donald Trump made negative comments about the sector. German blue chips, represented by the DAX advanced 0.5% yesterday, while London's FTSE 100 index marked a new all-time high. On the other hand, the French CAC 40 was practically flat. The US stock benchmarks inched 0.2%-0.5% higher yesterday, helped by rebounding crude oil prices as well. In Bucharest, the leading indices showed only small changes, with the BET slipping 0.1% and the BET-FI rising 0.2%. The shares of the BVB performed quite well (+1.4%), but banking stocks slumped 0.9%-1.2%, and Nuclearelectrica also shed 1.2%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
9-Jan	Monday	November	Exports (FOB, YoY%)	11.7	1.9
		November	Imports (CIF, YoY%)	11.6	3.4
		November	ILO unemployment rate (% , seasonally adjusted)	5.7	5.8
10-Jan	Tuesday		no data		
11-Jan	Wednesday		no data		
12-Jan	Thursday	November	Industrial trade turnover index (YoY%)	9.8	2.6
		November	Index value of new orders in manufacturing (YoY%)	7.9	5.0
		November	Industrial production (YoY%)	5.3	-0.3

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		10-Jan-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	9.3508	↑	4.22	↑	2.25	↑ 13.42
OTP Obligatiuni	RON	14.6901	↑	0.23	↑	0.10	↑ 2.93
OTP ComodisRO	RON	17.1100	↑	0.09	↑	0.03	↑ 1.40
OTP Euro Bond	EUR	12.6634	↑	0.29	↑	0.13	↑ 1.99
OTP Dollar Bond	USD	10.8583	↑	0.29	↑	0.06	↑ 2.70
OTP Premium Return	RON	11.2138	↑	1.00	↑	0.50	↑ 5.43
OTP Euro Premium Return	EUR	9.9709	↑	0.42	↑	0.09	↑ 1.42
OTP Global Mix	RON	10.8126	↑	1.24	↑	0.16	↑ 8.32

Chief Economist
Gergely Tardos

+36 1 3747273

tardosg@otpbank.hu
Analyst
Csaba Bálint

+4021 3075896

csaba.balint@otpbank.ro

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