

Date: 12.01.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,178.33	↓ -0.83	↓ -0.31
BET-TR	8,867.17	↓ -0.83	↓ -0.31
BET-FI	30,466.38	↓ -0.90	↓ -0.37
BET-XT	652.87	↓ -1.01	↓ -0.40
TLV	2.2700	↓ -2.58	↓ -3.40
FP	0.8350	↑ 1.46	↑ 1.95
SNG	25.2500	↓ -0.98	↓ -1.17
SNP	0.2840	↓ -1.22	↑ 1.43
MCAB	6.3000	↓ -7.89	↓ -21.64

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.74	↑ 1.5	↑ 2.0
12 month	0.96	↑ 3.0	↑ 11.0
3 year	1.54	↑ 1.5	↑ 5.5
5 year	2.44	↑ 1.5	↑ 5.5
10 year	3.43	↑ 0.5	↑ 0.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	RON 500 mn	RON 483.2 mn
Thursday	3.1Y	RON 500 mn	RON 265.2 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.43	→ 0.0	↓ -6.0
3M ROBOR	0.81	↓ -1.0	↓ -3.0
6M ROBOR	1.07	→ 0.0	↓ -4.0
1Y ROBOR	1.22	→ 0.0	↓ -1.0
5Y CDS	96.27	↓ -0.5	↓ -3.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4943	↓ -0.01	↓ -0.30
USD/RON	4.2337	↓ -0.34	↓ -0.39
CHF/RON	4.1880	↓ -0.03	↓ -0.50
100HUF/RON	0.0146	↑ 0.11	↓ -0.08

Sources: Reuters, OTP Research

Summary

- Romania's leu finished flat against the euro, but firmed compared to the US dollar on Thursday.
- The NIS, among others publishes December's inflation statistics this morning.
- The Treasury sold only half of the planned amount in yesterday's 3.1Y bond auction.
- Government securities' yields continued to climb slightly higher amid rising concerns about this year's public deficit.
- Negative trading sentiment ruled equity markets yesterday; the BET dipped 0.8%.

The EUR/USD inched up yesterday, a day after the press conference of Mr Donald Trump. Meanwhile, the leu finished practically flat against the euro.

This morning a long series of fresh economic data will see the light of day, including December's consumer price statistics. The annual inflation rate is expected to have finished the year in negative territory, but at a slightly higher level than a month earlier (-0.7% YoY), as the rally of crude futures probably pushed fuel prices higher.

Debt managers sold around half of the targeted amount in yesterday's 3.1Y bond auction, borrowing RON 265.2 mn. The transaction was characterized by relatively low demand, with bids reaching to RON 562.2 mn, which came from nine primary dealers. The average accepted yield stood at 2.05%, up from 1.97% in the previous auction with the same ISIN a month earlier. In January, this was the second consecutive transaction when only a part of the proposed amount was sold. It may be also worth mentioning that the benchmark rates on government securities rose in the past few days, most likely reflecting the concerns about public deficit, after the new government announced a bunch of fiscal easing measures.

Interbank lending rates were mostly flat on Thursday. Nonetheless, the ROBOR 3M eased one basis point, to 0.81%.

Negative trading sentiment ruled European stock markets yesterday, after the comments of US President Donald Trump continued to weigh on pharma industry and carmakers also suffered from allegations of cheating emission tests. Romania's benchmark stock index, the BET followed its West European peers and finished 0.8% lower, after only the shares of Fondul Proprietatea ended in green zone. US stocks also eased ahead of the start of the earnings season.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
13-Jan	Friday	November	Turnover of market serv. provided to the population (YoY%)		0.5
		November	Turnover of market serv. rendered mainly to enterp. (YoY%)		9.0
		November	Wholesale turnover index (YoY%)		4.0
		November	Construction works (YoY%)		-0.1
	Q3 2016	Detailed GDP growth rate (YoY%, provisional data 2)			4.4
	November	Net wage growth rate (YoY%)			12.7
	December	Consumer price index (YoY%)		-0.4	-0.7
	November	CA balance (EUR mn, YTD)			-2,919

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		11-Jan-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	9.3402	↑ 4.10	↑	2.13	↑	14.35
OTP Obligatiuni	RON	14.6905	↑ 0.24	↑	0.11	↑	2.89
OTP ComodisRO	RON	17.1106	↑ 0.09	↑	0.03	↑	1.39
OTP Euro Bond	EUR	12.6644	↑ 0.29	↑	0.13	↑	1.99
OTP Dollar Bond	USD	10.8553	↑ 0.26	↑	0.04	↑	2.69
OTP Premium Return	RON	11.2167	↑ 1.00	↑	0.52	↑	5.76
OTP Euro Premium Return	EUR	9.9916	↑ 0.63	↑	0.30	↑	1.69
OTP Global Mix	RON	10.8136	↑ 1.25	↑	0.17	↑	8.41

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