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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,178.10	↑ 0.22	↓ -0.84
BET-TR	8,866.89	↑ 0.22	↓ -0.84
BET-FI	30,609.95	↑ 0.24	↓ -0.44
BET-XT	651.98	↑ 0.06	↓ -1.15
FP	0.8540	↑ 2.15	↑ 3.77
TLV	2.2700	↓ -0.44	↓ -2.58
BRD	11.1400	↓ -1.42	↓ -3.47
SNG	25.6000	↑ 1.59	↑ 0.39
MCAB	4.6100	↓ -14.94	↓ -32.60

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.74	↓ -1.0	↑ 2.0
12 month	0.96	→ 0.0	↑ 3.5
3 year	1.56	↓ -0.5	↑ 4.0
5 year	2.47	↓ -0.5	↑ 4.5
10 year	3.38	↓ -2.0	↓ -4.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.9Y	RON 300 mn	RON 730.4 mn
Thursday	6M	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.41	↓ -1.0	↓ -2.0
3M ROBOR	0.82	→ 0.0	→ 0.0
6M ROBOR	1.08	↓ -1.0	↑ 1.0
1Y ROBOR	1.23	↓ -1.0	↑ 1.0
5Y CDS	96.27	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4945	↓ -0.21	↓ 0.00
USD/RON	4.2287	↑ 0.66	↓ -0.46
CHF/RON	4.1977	↑ 0.11	↑ 0.20
100HUF/RON	0.0146	↓ -0.30	↑ 0.01

Sources: Reuters, OTP Research

Summary

- Yesterday the Constitutional Court postponed again the decision on the CHF conversion law; the RON slightly firmed against the EUR;
- No policy change is expected on the ECB's rate-setting meeting today.
- The Treasury plans to borrow RON 500 mn.
- The BET slightly increased (0.2%), broadly in line with its Western European peers.

On Wednesday the CEE region's currencies changed mixed against the euro, with Romania's leu firming slightly, after the Constitutional Court postponed again a decision about the CHF conversion bill.

Meanwhile, the US dollar reversed a large part of its Tuesday's losses, after Fed chief Janet Yellen noted in a speech that the interest rate could be raised "a few times a year" through 2019. The weakness of the greenback at the beginning of this week was attributed to the comments of President-elect Mr Trump, indicating that a strong dollar hurts the US economy.

Today the European Central Bank will organise its rate-setting meeting. The Governing Council is expected to keep the benchmark rates as well as its other policy instruments unchanged.

The Ministry of Finance puts up for sale RON 500 mn debt via 6M bills today.

Trading on European stock markets had a tepid tone yesterday, with investors analyzing the freshly published corporate earnings reports. The DAX performed relatively well, inching up 0.5%, while its French peer, the CAC 40 eased slightly, giving back 0.1%. At the same time, the UK's FTSE 100 index advanced by 0.4%, following a 1.5% slump a day earlier. The FTSE 100 came under selling pressure, after a speech of UK Prime Minister Theresa May about the country's exit from the European Union. On the other side of the Atlantic, the main equity indices closed the session mixed on Wednesday, with many stocks fluctuating between small gains and losses. Simultaneously, the BVB's indices registered small gains, in the range of 0.1% and 0.2%. The BET finished 0.2% higher, after its components moved in different directions, with the FP adding almost 2.2%. On the other hand, the shares of the BRD and Nuclearelectrica edged down 1.4% and 1.0% respectively.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
16-Jan	Monday	no data			
17-Jan	Tuesday	December	New passenger car registrations (YoY%)	6.8	20.2
18-Jan	Wednesday	no data			
19-Jan	Thursday	no data			
20-Jan	Friday	no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		17-Jan-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	9.2563	↑	1.82	↑	1.22	↑ 17.60
OTP Obligatiuni	RON	14.6935	↑	0.25	↑	0.13	↑ 2.87
OTP ComodisRO	RON	17.1136	↑	0.09	↑	0.05	↑ 1.39
OTP Euro Bond	EUR	12.6707	↑	0.32	↑	0.18	↑ 2.05
OTP Dollar Bond	USD	10.8624	↑	0.30	↑	0.10	↑ 2.79
OTP Premium Return	RON	11.1777	↑	0.99	↑	0.17	↑ 6.59
OTP Euro Premium Return	EUR	9.9307	↓	-0.56	↓	-0.32	↑ 1.62
OTP Global Mix	RON	10.7434	↓	-0.37	↓	-0.48	↑ 7.98

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