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# Daily Report – Romania

Date: 19.01.2017

**STOCK EXCHANGE**

|        | Close     | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET    | 7,223.69  | ↑ 0.64         | ↑ 0.63          |
| BET-TR | 8,923.21  | ↑ 0.64         | ↑ 0.63          |
| BET-FI | 30,833.77 | ↑ 0.73         | ↑ 1.21          |
| BET-XT | 655.83    | ↑ 0.59         | ↑ 0.45          |
| TLV    | 2.2700    | ⇒ 0.00         | ⇒ 0.00          |
| SNG    | 25.7000   | ↑ 0.39         | ↑ 1.78          |
| SNP    | 0.2830    | ↑ 1.98         | ↓ -0.35         |
| BRD    | 11.1200   | ↓ -0.18        | ↓ -1.94         |
| SIF3   | 0.2515    | ↓ -0.40        | ⇒ 0.00          |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 0.74      | ↓ -0.5          | ⇒ 0.0            |
| 12 month | 0.96      | ⇒ 0.0           | ↑ 0.5            |
| 3 year   | 1.58      | ↑ 1.5           | ↑ 4.0            |
| 5 year   | 2.48      | ↑ 1.0           | ↑ 4.0            |
| 10 year  | 3.40      | ↑ 2.0           | ↓ -3.0           |

**GOV'T BOND AUCTIONS**

|          | Maturity | Auctions   | Sold         |
|----------|----------|------------|--------------|
| Monday   | 5.9Y     | RON 300 mn | RON 730.4 mn |
| Thursday | 4.2Y     | RON 500 mn | RON 500 mn   |

**MONEY MARKET**

|          | Rate (%/bp) | Daily chg (bp) | Weekly chg (bp) |
|----------|-------------|----------------|-----------------|
| ON ROBOR | 0.41        | ⇒ 0.0          | ↓ -2.0          |
| 3M ROBOR | 0.82        | ⇒ 0.0          | ↑ 1.0           |
| 6M ROBOR | 1.07        | ↓ -1.0         | ⇒ 0.0           |
| 1Y ROBOR | 1.23        | ⇒ 0.0          | ↑ 1.0           |
| 5Y CDS   | 96.27       | ⇒ 0.0          | ⇒ 0.0           |

**FX MARKET**

|            | Rate   | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON    | 4.4963 | ↑ 0.04         | ↑ 0.04          |
| USD/RON    | 4.2200 | ↓ -0.20        | ↓ -0.32         |
| CHF/RON    | 4.1899 | ↓ -0.18        | ↑ 0.05          |
| 100HUF/RON | 0.0146 | ↓ -0.19        | ↓ -0.29         |

Sources: Reuters, OTP Research

**Summary**

- As expected, the ECB made no change yesterday; the dovish comments of President Mr Mario Draghi temporarily helped trading sentiment.
- The EUR/RON remained near its previous closing level yesterday.
- The MoF sold the planned RON 500 mn debt.
- Despite the global headwinds, the BET inched 0.6% higher on Thursday.

As it was widely expected, the European Central Bank left its benchmark rates unchanged, with the interest rate on the main refinancing operations at 0% and with the deposit facility rate at -0.40%. The conditions of the ECB's asset purchase programme (APP) were untouched as well. Following the policy decisions, the dovish tone of Mr Mario Draghi's press conference brought some optimism on global financial markets. According to the ECB president there is "no convincing upward trend in underlying inflation". The statement came after the headline figure picked up to 1.1% YoY in December, reaching a more-than-three-year high, as it was boosted by rising fuel prices. Mr Draghi also highlighted the central bank's readiness to expand its APP scheme if needed.

Nevertheless, the slight optimism turned to be short-lived, and finally the EUR/USD closed the day higher, after a temporary drop earlier in the session. Meanwhile, the CEE region's currencies mostly finished a bit weaker against the euro. In the early hours of the session, Romania's leu firmed a marginally, but this small gain was reversed in the afternoon.

The Ministry of Finance sold the planned amount of RON 500 mn. The demand was relatively healthy, lifting the bid-to-cover ratio close to 1.9x. Simultaneously, government securities' yield curve steepened slightly.

Despite the rather negative mood on European stock markets, the BET was able to rise 0.6%, sustained by the surge in OMW Petrom (+2.0%) and Fondul Proprietatea (+1.6%). In the USA, the key indices mildly dropped a day ahead of Mr Trump's inauguration.

| Date   | PERIOD    | INDICATOR | FACT                                   | CONSENSUS | PREVIOUS |
|--------|-----------|-----------|--|-----------|----------|
| 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                                |           |          |
| 23-Jan | Monday    |           | no data                                |           |          |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds |     | 18-Jan-17  |         |   |       |   |       |
|---------------------------|-----|------------|---------|---|-------|---|-------|
| Investment funds          | ccy | last NAV/U | 1m%     |   | Ytd%  |   | 52W%  |
| OTP AvantisRO             | RON | 9.2481     | ↑ 1.73  | ↑ | 1.13  | ↑ | 21.59 |
| OTP Obligatiuni           | RON | 14.6960    | ↑ 0.27  | ↑ | 0.15  | ↑ | 2.90  |
| OTP ComodisRO             | RON | 17.1139    | ↑ 0.09  | ↑ | 0.05  | ↑ | 1.38  |
| OTP Euro Bond             | EUR | 12.6725    | ↑ 0.33  | ↑ | 0.20  | ↑ | 2.07  |
| OTP Dollar Bond           | USD | 10.8620    | ↑ 0.29  | ↑ | 0.10  | ↑ | 2.77  |
| OTP Premium Return        | RON | 11.1835    | ↑ 0.99  | ↑ | 0.23  | ↑ | 7.21  |
| OTP Euro Premium Return   | EUR | 9.9309     | ↓ -0.56 | ↓ | -0.31 | ↑ | 1.65  |
| OTP Global Mix            | RON | 10.7353    | ↓ -0.45 | ↓ | -0.55 | ↑ | 8.17  |

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