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Daily Report – Romania

Date: 24.07.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,536.99	↑ 0.07	↓ -0.74
BET-TR	8,587.22	↑ 0.06	↓ -0.76
BET-FI	31,861.26	↑ 0.25	↑ 0.58
BET-XT	686.14	↑ 0.12	↓ -0.63
FP	0.8200	→ 0.00	↑ 0.31
EL	12.6000	↑ 0.08	↓ -1.18
TLV	2.3600	↑ 0.04	↑ 0.64
TEL	26.9800	↓ -1.32	↓ -2.42
SNG	33.8800	↓ -0.35	↓ -2.92

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.24	↓ -2.0	↓ -3.0
12 month	1.42	↓ -3.0	↓ -4.5
3 year	1.90	↓ -2.0	↓ -9.0
5 year	2.80	↓ -5.0	↓ -9.0
10 year	3.75	↓ -9.0	↓ -21.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	3.9Y	RON 300 mn	RON 300 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.83	↑ 31.0	↑ 29.0
3M ROBOR	1.28	↑ 1.0	↓ -1.0
6M ROBOR	1.54	↑ 2.0	↓ -2.0
1Y ROBOR	1.64	↑ 1.0	↓ -2.0
5Y CDS	112.01	↓ 0.0	↓ -0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4222	↑ 0.01	↑ 0.08
USD/RON	4.0258	↓ 0.00	↓ -1.36
CHF/RON	4.1833	↓ -0.34	↓ -1.38
100HUF/RON	1.4187	↓ -0.30	↓ -0.79

Source: Reuters, OTP Research

Summary

- RON-denominated loans advanced further in June.
- The budget execution ended the first six months of the year with a RON 4.2 bn surplus.
- The EUR/RON changed little on Friday.
- GS' yields eased up to 9 bps.
- The BET marginally increased on Friday, but it lost 0.7% week-on-week.

June's monetary indicators revealed, that the volume of RON denominated loans continued to advance strongly (3.9% MoM and 13.2% YoY), reaching RON 102 bn or almost 48% of total non-government loans granted by credit institutions. The convincing performance of RON denominated loans might be supported also by the conversion programme of Banca Transilvania, as in June the stock of households' loans granted in other currencies (covering mainly CHF credit) fell more than RON 1.5 bn on an FX adjusted basis. At the same time, private deposits grew by 1.3% MoM and 7.9% YoY, resulting in a 93% loans-to-deposits ratio.

Romania's budget surplus stood at RON 4.2 bn (0.6% of GDP) in the first half of 2015, after revenues increased by 10.2% YoY to RON 110.6 bn, while expenses went up only 2.5% to RON 106.4 bn. In the same period of 2014, the public budget balance recorded a deficit of RON 3.5 bn (0.5% of GDP). On Friday, NBR's Governor Isarescu drew again attention to the possible negative consequences of a large fiscal easing package.

The RON was traded in a narrow range against the EUR on Friday, ending the day almost flat.

The yield curve shifted down 2-9 bps on Friday. As a result, government securities' yields eased 3-21 bps on weekly basis with higher movement at the long end.

Despite the unfavourable market sentiment, the BET finished slightly higher (+0.1%) on Friday, driven by the shares of Nuclearelectrica (+0.8%), while the BET-FI could add 0.3%, after SIF Banat Crisana (+0.7%) and SIF Oltenia (+0.7%) recorded nice gains. On the other hand, most of the BVB indices fell in weekly comparison: Romania's main equity index gave up 0.7% and the BET-TR ended 0.8% lower.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
22-Jul	Wednesday	no data			
23-Jul	Thursday	June	M3 (broad money, YoY%)	8.8	7.1
23-Jul			Non-government loans (YoY%)	-0.1	-1.9
23-Jul			Non-government deposits (YoY%)	7.9	6.0
24-Jul	Friday	no data			
27-Jul	Monday	no data			
28-Jul	Tuesday	June	New commercial vehicle registrations (YoY%)		18.9

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		23-Jul-15					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.6657	↑ 4.34	↑ 8.30	↑ 10.43		
OTP Obligatiuni	RON	14.0098	↑ 0.20	↑ 1.66	↑ 4.17		
OTP ComodisRO	RON	16.7564	↑ 0.14	↑ 1.54	↑ 3.79		
OTP Euro Bond	EUR	12.1697	↑ 0.10	↑ 1.22	↑ 2.77		
OTP Dollar Bond	USD	10.4912	↑ 0.06	↑ 1.65	↑ 3.55		
OTP Premium Return	RON	1078.0581	↓ -0.35	↑ 4.18	↑ 6.25		

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