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Daily Report – Romania

Date: 29.07.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,556.44	↑ 0.02	↑ 0.31
BET-TR	8,609.34	↑ 0.03	↑ 0.30
BET-FI	31,870.48	↑ 0.18	↑ 0.58
BET-XT	688.13	↑ 0.13	↑ 0.46
FP	0.8155	↓ -0.43	↓ -0.67
TLV	2.3550	↓ -1.01	↑ 0.38
SNN	7.4550	↑ 0.34	↑ 1.43
TEL	27.3800	↑ 0.74	↑ 0.48
SNG	34.1600	↑ 0.77	↑ 0.38

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.24	↑ 1.0	↓ -1.5
12 month	1.40	↑ 1.0	↓ -4.5
3 year	1.91	↑ 1.5	↓ -2.0
5 year	2.81	↑ 1.0	↓ -5.0
10 year	3.77	↑ 0.5	↓ -9.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6M	RON 300 mn	RON 300 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.99	↑ 12.0	↑ 47.0
3M ROBOR	1.30	↑ 2.0	↑ 1.0
6M ROBOR	1.55	↑ 2.0	↑ 2.0
1Y ROBOR	1.65	↑ 1.0	↑ 1.0
5Y CDS	111.58	→ 0.0	↓ -0.4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4167	↑ 0.04	↓ -0.09
USD/RON	4.0198	↑ 0.69	↓ -0.66
CHF/RON	4.1532	↑ 0.14	↓ -1.45
100HUF/RON	1.4278	↑ 0.02	↓ -0.59

Source: Reuters, OTP Research

Summary

- The Fed kept the interest rates unchanged yesterday, but it left the door open for a possible interest rate rise in September.
- EUR/RON ended flat on Wednesday.
- New construction permits for residential buildings were up by 7.6% YoY in June.
- Romania's key equity indices slightly climbed higher yesterday.

As expected, the Fed decided to hold its benchmark interest rate near to zero on Wednesday, however it left the door open for an interest rate hike as early as September, pointing to further improvement in labour market conditions, "with solid job gains and declining unemployment". At the same time, the USD gained some ground against Europe's shared currency.

Yesterday the CEE region's currencies were traded in a relatively narrow range compared to the EUR. The RON remained flat, but it could strengthen somewhat in this morning.

In June, the number of construction permits for residential buildings rose by 7.6% (YoY), up from 1.9% (YoY) a month earlier. At the same time, our in-house seasonally adjusted data point to a 1.1% MoM growth rate for the sixth month of the year. The more detailed breakdown revealed that June's pickup primarily was due to the robust increase of released permits in rural areas (+13.2% YoY), while in urban areas the number of new permits marginally fell (-0.3% YoY, in May it stood at -3.0% YoY). Overall, the yearly growth rate accelerated to 3.1% in the first half of 2015. The positive trend of the housing permits together with the strengthening mortgage lending activity should help the construction sector in the following period.

Today European Union's DG ECFIN (Directorate General for Economic and Financial Affairs) publishes its economic sentiment and consumer confidence indicators for July.

Yesterday, stocks mostly recorded gains on both sides of the Atlantic, while the BVB also closed in the green zone on low turnover (RON 25 mn). The individual composites of the BET index moved in different directions: the shares of BVB and BRD performed well (+1.8% and +1.3% respectively), but the TLV declined by 1.0%, registering the highest drop of the day.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
27-Jul	Monday	no data			
28-Jul	Tuesday	June	New commercial vehicle registrations (YoY%)	23.5	18.9
29-Jul	Wednesday	June	Licenses for residential buildings (YoY%)	7.6	1.9
30-Jul	Thursday	July	Economic Sentiment Indicator		103.8
		July	Consumer Confidence Indicator		-16.2
31-Jul	Friday	June	ILO unemployment rate (% , seasonally adjusted)		7.1

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		28-Jul-15					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.6717	↑ 3.62	↑ 8.38	↑ 10.51		
OTP Obligatiuni	RON	14.0144	↑ 0.21	↑ 1.69	↑ 4.15		
OTP ComodisRO	RON	16.7606	↑ 0.15	↑ 1.56	↑ 3.76		
OTP Euro Bond	EUR	12.1716	↑ 0.11	↑ 1.24	↑ 2.76		
OTP Dollar Bond	USD	10.4927	↑ 0.06	↑ 1.66	↑ 3.53		
OTP Premium Return	RON	1074.8571	↓ -0.44	↑ 3.87	↑ 5.90		

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