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# Daily Report – Romania

Date: 04.09.2015

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,078.00	↓ -0.08	↑ 0.83
BET-TR	8,064.69	↓ -0.09	↑ 0.76
BET-FI	29,962.55	↓ -0.88	↓ -0.52
BET-XT	645.63	↓ -0.21	↑ 0.57
FP	0.7645	↓ -0.78	↓ -0.59
TLV	2.2890	↓ -0.04	↑ 4.76
BRD	10.6200	↓ -0.28	↑ 2.71
TGN	260.0000	↓ -0.76	↓ -3.53
SCD	1.7800	→ 0.00	↓ -3.78

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.28	↓ -1.5	↑ 6.0
12 month	1.43	↓ -0.5	↑ 3.5
3 year	1.94	↓ -5.5	↑ 7.0
5 year	2.75	↓ -3.0	↓ -0.5
10 year	3.75	↓ -2.5	↑ 0.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Thursday	2.4Y	RON 400 mn	RON 400 mn
Monday	1.8Y	RON 500 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.10	↓ -21.0	↓ -54.0
3M ROBOR	1.44	↓ -4.0	↓ -2.0
6M ROBOR	1.65	↓ -1.0	→ 0.0
1Y ROBOR	1.75	↑ 2.0	↑ 3.0
5Y CDS	116.28	↓ -1.3	↓ -1.3

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4275	↑ 0.13	↑ 0.07
USD/RON	3.9719	↓ -0.09	↑ 0.26
CHF/RON	4.0854	↑ 0.03	↓ -0.71
100HUF/RON	1.4106	↓ -0.23	↑ 0.06

Source: Reuters, OTP Research

**Summary**

- On the expenditure side, net exports dragged down Q2 GDP data, while consumption continued to be the main driver of the economy.
- The EUR/RON ended the week close to 4.43.
- The MoF plans to hold an auction today.
- The main global stock indices fell sharply on Friday, while the BET slipped only 0.1%.

The National Institute of Statistics affirmed its 0.1% QoQ growth estimate (seasonally and working day adjusted data) for the second quarter of 2015, while the yearly advance was slightly revised upward from 3.2% YoY to 3.3% YoY (gross data). The NIS's flash Q2 GDP estimate delivered a significant negative surprise, as the market foresaw 4.1%/4.8% (Reuters/Bloomberg) YoY growth rate. Friday's detailed statistics revealed that, in line with the expectations, household's consumption expenditures remained the main driver of the economy, while gross fixed capital formation also continued its positive trend, but exports fell sharply in QoQ terms (-1.7%). This, together with still increasing imports (+0.2% QoQ) resulted in a sizable drag on the economy. On the production side, beyond the drop in constructions (-2.9% QoQ; also suggested by high-frequency indicators), the industrial sector stood in the negative territory (-0.5% QoQ) too. On the other hand, market services performed well (+1.3% QoQ), pushing its yearly growth rate up to 4.9%. This morning, the NIS publishes gross and net wage statistics for July.

Friday's trading sentiment was negative on both sides of the Atlantic. In the early hours of the session, investors worried about disappointing German manufacturing data, while the highly anticipated US job statistics also saw the light of day. In August, the US economy created fewer jobs (173,000) than expected, but the months of June and July were subject to upward revisions. Furthermore, the unemployment rate fell to seven-year low (5.1%), giving the Fed more reasons to raise interest rates.

The unfavourable sentiment put some pressure on the CEE regions' currencies. As a result, the RON weakened somewhat compared to the EUR.

Today, the Ministry of Finance aims to sell RON 500 mn debt.

European stocks sharply fell on Friday, led by the CAC (-2.8%), while the key US indices also gave back 1.1%-1.7% on Friday. Romanian shares were more resistant, as the BET lost only 0.1% on low volumes.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
2-Sep	Wednesday	July	Producer Price Index (YoY%)	-2.0	-1.9
3-Sep	Thursday	July	Retail trade (YoY%)	9.6	8.2
4-Sep	Friday	Q2 2015	Detailed GDP growth rate (YoY%, provisional data 1)	3.3	3.2
7-Sep	Monday	July	Net wage growth rate (YoY%)		7.8
8-Sep	Tuesday	July	Industrial trade turnover index (YoY%)		6.5
		July	Index value of new orders in manufacturing (YoY%)		5.5

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		3-Sep-15					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	8.3693	↓	-3.50	↑	4.60	↑ 4.05
OTP Obligatiuni	RON	14.0954	↑	0.55	↑	2.28	↑ 4.39
OTP ComodisRO	RON	16.7889	↑	0.15	↑	1.73	↑ 3.56
OTP Euro Bond	EUR	12.3285	↑	1.27	↑	2.55	↑ 3.83
OTP Dollar Bond	USD	10.5156	↑	0.21	↑	1.88	↑ 3.42
OTP Premium Return	RON	1057.3342	↓	-1.79	↑	2.18	↑ 3.40

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