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Daily Report – Romania

Date: 23.09.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,150.24	↑ 0.51	↑ 0.38
BET-TR	8,144.26	↑ 0.51	↑ 0.36
BET-FI	30,300.32	↑ 0.72	↑ 0.01
BET-XT	651.45	↑ 0.49	↑ 0.42
TLV	2.3950	→ 0.00	↑ 3.23
FP	0.7910	↑ 1.15	↓ -0.75
EL	11.9200	↑ 0.34	↓ -1.81
BRD	11.0400	↑ 0.73	↑ 0.73
SNG	30.5000	↑ 0.33	↑ 0.20

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.28	↓ -1.0	↓ -0.5
12 month	1.39	↓ -0.5	↓ -1.0
3 year	1.87	↓ -1.0	↓ -3.0
5 year	2.58	→ 0.0	↓ -4.0
10 year	3.71	↓ -0.5	↓ -4.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	9.4Y	RON 200 mn	RON 198 mn
Thursday	3.6Y	RON 500 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.52	↓ -4.0	↓ -9.0
3M ROBOR	1.48	→ 0.0	↑ 4.0
6M ROBOR	1.66	→ 0.0	↑ 1.0
1Y ROBOR	1.73	→ 0.0	→ 0.0
5Y CDS	109.94	↑ 0.0	↓ -3.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4195	↓ -0.10	↓ -0.02
USD/RON	3.9523	↓ -0.61	↑ 0.86
CHF/RON	4.0339	↓ -1.04	↓ -0.05
100HUF/RON	1.4152	↓ -0.28	↓ -0.25

Source: Reuters, OTP Research

Summary

- In August, the RON denominated loans could offset the drop of FX loans for the first time since 2013.
- The RON firmed somewhat against Europe's shared currency yesterday.
- The MoF aims to borrow RON 500 mn via 3.6Y bonds today.
- All of the BVB indices were up on Wednesday.

Yesterday's statistics of the central bank regarding monetary indicators, brought newer evidence of commercial banks' strengthening lending activity, as RON denominated loans grew by 2.0% MoM and 15.0% YoY in August, driven by household loans (+2.6% MoM and +27.4% YoY). The other good news is that non-government loans stopped to decline on yearly basis, as the annual gain of RON loans could offset the fall in FX denominated credit for the first time since Q1 2013. Furthermore, private deposits continued to rise nicely (0.9% MoM and 7.4% YoY), amounting to RON 231 bn.

Unlike other currencies of the CEE region, the RON could gain some ground against the EUR yesterday, ending Wednesday's session close to 4.42. Simultaneously, the PLN and the HUF continued to depreciate compared to Europe's common currency. Nevertheless, the EUR recuperated its Tuesday's loss versus the USD yesterday, sending the pair toward 1.12, while the EUR/CHF also retreated to around 1.095.

The Ministry of Finance plans to sell RON 500 mn in 3.6 years bonds in today's auction. On Wednesday, the government securities' yield curve eased by 1 bp on average, even though the yield on the 5Y maturity remained unchanged.

After Tuesday's heavy drops, European stocks registered moderate gains yesterday, with the DAX inching up 0.4%, while France's CAC40 climbed marginally higher (+0.1%) too. At the same time, London's FTSE100 performed much better, adding 1.6%. The main Romanian equity indices roughly followed the European trends, recording gains between 0.4% and 0.7%. The BET advanced 0.5%, as six out of its ten components could rise with the FP on the top (+1.2%), but there were two shares, which edged down slightly, namely the BVB (-0.3%) and Nuclearelectrica (-0.1%). Nonetheless, the traded volumes increased somewhat compared to Tuesday, going above RON 22 mn. In the USA, following small gains at the beginning of the trading session, the main benchmarks ended marginally lower, with the S&P500 slipping 0.2%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
21-Sep	Monday	no data			
22-Sep	Tuesday	no data			
23-Sep	Wednesday	August	M3 (broad money, YoY%)	8.0	8.1
			Non-government loans (YoY%)	0.2	-0.7
			Non-government deposits (YoY%)	7.4	7.0
24-Sep	Thursday	no data			
25-Sep	Friday	August	New commercial vehicle registrations (YoY%)		n.a.

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		22-Sep-15					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.3118	↓ -2.86	↑	3.88	↑	2.29
OTP Obligatiuni	RON	14.1246	↑ 0.15	↑	2.49	↑	4.41
OTP ComodisRO	RON	16.8018	↑ 0.12	↑	1.81	↑	3.44
OTP Euro Bond	EUR	12.3424	↓ 0.00	↑	2.66	↑	3.69
OTP Dollar Bond	USD	10.5352	↑ 0.11	↑	2.07	↑	3.50
OTP Premium Return	RON	1054.3634	↓ -0.90	↑	1.89	↑	2.48

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