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Daily Report – Romania

Date: 07.10.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,998.89	↑ 0.19	↑ 0.25
BET-TR	7,971.85	↑ 0.19	↑ 0.25
BET-FI	30,403.97	↓ -0.11	↓ -0.43
BET-XT	641.03	↑ 0.19	↑ 0.26
EL	11.8000	↑ 0.85	↑ 0.17
TLV	2.3200	→ 0.00	↑ 1.31
EBS	118.5000	↑ 3.95	↑ 4.41
SNG	30.2500	↑ 0.33	↑ 0.83
SNP	0.3320	↑ 0.76	↓ -0.90

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.21	↓ -5.0	↓ -5.5
12 month	1.33	↓ -3.0	↓ -4.0
3 year	1.76	↓ -1.0	↓ -11.5
5 year	2.43	↓ -0.5	↓ -11.0
10 year	3.48	↓ -2.0	↓ -16.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	11.8Y	RON 100 mn	RON 100 mn
Thursday	2.3Y	RON 500 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.11	↓ -5.0	↓ -55.0
3M ROBOR	1.41	↓ -2.0	↓ -9.0
6M ROBOR	1.60	↓ -3.0	↓ -7.0
1Y ROBOR	1.71	↓ -2.0	↓ -4.0
5Y CDS	117.38	↑ 7.4	↑ 1.6

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4157	↓ -0.08	↓ -0.08
USD/RON	3.9310	↑ 0.30	↓ -0.58
CHF/RON	4.0349	↓ -0.46	↓ -0.63
100HUF/RON	1.4146	↓ -0.45	↑ 0.36

Source: Reuters, OTP Research

Summary

- “Financial stability has improved in advanced economies since April, but risks continue to rotate toward emerging markets”, the IMF said yesterday.
- The EUR/RON ended lower on Wednesday.
- Today, the Treasury holds an auction for selling RON 500 mn debt.
- The BVB indices mostly ended with slight gains yesterday.

The IMF's Global Financial Stability Report was released on Wednesday, in which the specialists of the international organization pointed out that overall, financial stability has improved in advanced economies in the latest period, but emerging markets are threatened by a wide range of risks. Among others, the report notes that the corporate debt of nonfinancial companies in EM economies quadrupled in the past ten years, naturally raising concerns. In the period of 2007-2014, the change of corporate debt (measured as % of GDP) reached +25% in China, the second largest economy of the world.

Modest optimism characterized financial markets on Wednesday, which might help the RON to slightly strengthen compared to the EUR, leading the pair close to 4.415. Similar movement was registered by the PLN too, while the HUF lost ground against the common European currency.

Since last Friday, when the US Bureau of Labor Statistics published a disappointing job report, expectations regarding a later Fed rate hike have firmed, while speculations about even looser monetary policy in the eurozone also increased in the light of weaker economic data. Such circumstances might contribute to the recent ease of government securities' yields. On weekly basis, the benchmark fixing rates decreased by 4-17 bps with higher movements at the long end. Today, the Treasury aims to sell RON 500 mn in 2.3Y bonds.

Interbank lending rates eased further on Wednesday. As a result, the ROBOR 3M gave back 9 bps in weekly comparison, edging down to 1.41%.

European equities climbed higher again, helped by mining and oil shares, with the DAX adding 0.7%. At the same time, the BVB indices also closed slightly higher with the exception of BET-FI, which lost 0.1%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
5-Oct	Monday		no data		
6-Oct	Tuesday		no data		
7-Oct	Wednesday	Q2 2015	Detailed GDP growth rate (YoY%, provisional data 2)	3.4	4.3
		August	Net wage growth rate (YoY%)	7.7	7.6
		August	Industrial trade turnover index (YoY%)	2.7	6.6
		August	Index value of new orders in manufacturing (YoY%)	3.3	12.7
8-Oct	Thursday		no data		
9-Oct	Friday	August	Turnover of market serv. provided to the population (YoY%)		10.6

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		6-Oct-15					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.2996	↓ -0.32	↑	3.73	↑	2.74
OTP Obligatiuni	RON	14.1585	↑ 0.41	↑	2.73	↑	4.38
OTP ComodisRO	RON	16.8105	↑ 0.13	↑	1.87	↑	3.37
OTP Euro Bond	EUR	12.3487	↑ 0.17	↑	2.71	↑	3.67
OTP Dollar Bond	USD	10.5296	↑ 0.12	↑	2.02	↑	3.38
OTP Premium Return	RON	1057.1199	↑ 0.22	↑	2.16	↑	3.04

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