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# Daily Report – Romania

Date: 08.10.2015

**STOCK EXCHANGE**

|        | Close     | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET    | 7,046.93  | ↑ 0.69         | ↑ 0.61          |
| BET-TR | 8,026.57  | ↑ 0.69         | ↑ 0.61          |
| BET-FI | 30,355.33 | ↓ -0.16        | ↓ -0.39         |
| BET-XT | 644.64    | ↑ 0.56         | ↑ 0.57          |
| FP     | 0.7800    | ↓ -0.76        | ↓ -1.27         |
| TLV    | 2.3800    | ↑ 2.59         | ↑ 2.59          |
| SNP    | 0.3355    | ↑ 1.05         | ↑ 0.75          |
| TGN    | 261.0000  | ↓ -0.38        | ↓ -0.38         |
| EL     | 11.7600   | ↓ -0.34        | ↑ 1.03          |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 1.20      | ↓ -0.5          | ↓ -6.5           |
| 12 month | 1.32      | ↓ -1.5          | ↓ -6.5           |
| 3 year   | 1.73      | ↓ -3.0          | ↓ -14.0          |
| 5 year   | 2.39      | ↓ -3.5          | ↓ -13.5          |
| 10 year  | 3.44      | ↓ -3.5          | ↓ -18.0          |

**GOV'T BOND AUCTIONS**

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

**MONEY MARKET**

|          | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 1.03     | ↓ -8.0         | ↓ -47.0         |
| 3M ROBOR | 1.41     | → 0.0          | ↓ -9.0          |
| 6M ROBOR | 1.61     | ↑ 1.0          | ↓ -8.0          |
| 1Y ROBOR | 1.69     | ↓ -2.0         | ↓ -7.0          |
| 5Y CDS   | 117.39   | ↑ 0.0          | ↑ 0.4           |

**FX MARKET**

|            | Rate   | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON    | 4.4153 | ↓ -0.01        | ↓ -0.06         |
| USD/RON    | 3.9136 | ↓ -0.44        | ↓ -0.74         |
| CHF/RON    | 4.0502 | ↑ 0.38         | ↑ 0.35          |
| 100HUF/RON | 1.4165 | ↑ 0.13         | ↑ 0.41          |

Source: Reuters, OTP Research

**Summary**

- The RON changed little compared to the EUR yesterday.
- The MoF sold the planned amount of RON 500 mn amid healthy demand.
- The turnover index of market services provided to the population increased further in August.
- Romanian stocks mostly ended higher.

Yesterday, both the Fed's and the ECB's minutes of policy meeting saw the light of day. They suggest that central bank officials are worrying about certain developments, primarily coming from emerging markets, while they also note that downside risks to inflation may exist. The messages of the CBs were considered to be dovish by many investors, leading to some optimism on financial markets. Thus, the CEE region's currencies could mostly firm against the EUR, while they strengthened even more compared to the US dollar on Thursday. Nonetheless, the RON recorded the thinnest gains versus the main currencies among its regional peers.

At the same time, government securities' yield curve shifted lower again on Thursday, easing by 7-18 bps on weekly basis, while yesterday's 2.3Y bond auction benefited from healthy demand, after commercial banks subscribed for almost RON 1.4 bn, raising the bid-to-cover ratio to 2.8. The average accepted yield stood at 1.70%, which is around 30 bps lower than at the similar auction in the beginning of September.

According to the statistics released this morning, the turnover index of market services provided to the population continued to increase nicely on yearly basis (9.5% YoY in August, gross data), while it could also advance compared to July (+0.6% MoM, seasonally and working day adjusted data). These indicate that market services may continue to be the main driver of the economy in Q3.

Despite the weaker than expected German external trade data, European stock indices mostly ended the day with slight gains, as hopes for the continuation of loose monetary conditions could help yesterday's trading sentiment. Accordingly, the DAX and the CAC40 closed 0.2% higher each. The main US equity benchmarks fared better, inching up between 0.4% and 0.9% respectively, while in Bucharest, most of the key indices climbed higher as well. The BET was up by 0.7%, after banking shares surged: the TLV marched 2.6%, and the BRD went up 1.7%.

| Date   | PERIOD   | INDICATOR | FACT   | CONSENSUS | PREVIOUS |
|--------|----------|-----------|--|-----------|----------|
| 8-Oct  | Thursday |           |  |           |          |
|        |          | no data   |  |           |          |
| 9-Oct  | Friday   | August    | Turnover of market serv. provided to the population (YoY%) | 9.5       | 11.7     |
| 12-Oct | Monday   | September | Consumer price index (YoY%)                                |           | -1.8     |
|        |          | August    | Industrial production (YoY%)                               |           | 3.8      |
|        |          | August    | Construction works (YoY%)                                  |           | 15.4     |
|        |          | August    | Exports (FOB, YoY%)  |           | 5.6      |
|        |          | August    | Imports (CIF, YoY%)  |           | 7.3      |

Source: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds |     | 7-Oct-15   |         |   |      |      |      |
|---------------------------|-----|------------|---------|---|------|------|------|
| Investment funds          | ccy | last NAV/U | 1m%     |   | Ytd% | 52W% |      |
| OTP AvantisRO             | RON | 8.3186     | ↓ -0.15 | ↑ | 3.96 | ↑    | 2.64 |
| OTP Obligatiuni           | RON | 14.1641    | ↑ 0.42  | ↑ | 2.78 | ↑    | 4.32 |
| OTP ComodisRO             | RON | 16.8113    | ↑ 0.12  | ↑ | 1.87 | ↑    | 3.36 |
| OTP Euro Bond             | EUR | 12.3517    | ↑ 0.18  | ↑ | 2.74 | ↑    | 3.69 |
| OTP Dollar Bond           | USD | 10.5409    | ↑ 0.21  | ↑ | 2.13 | ↑    | 3.48 |
| OTP Premium Return        | RON | 1056.9667  | ↑ 0.18  | ↑ | 2.14 | ↑    | 3.14 |

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