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Daily Report – Romania

Date: 14.10.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,105.97	↑ 0.12	↑ 1.53
BET-TR	8,093.79	↑ 0.12	↑ 1.53
BET-FI	30,299.07	↓ -0.28	↓ -0.35
BET-XT	649.04	↑ 0.10	↑ 1.25
SNG	31.0000	↑ 1.81	↑ 2.48
SNP	0.3300	↓ -1.20	↓ -0.60
TLV	2.4050	↑ 0.84	↑ 3.66
FP	0.7880	↓ -0.13	↑ 0.25
BRD	11.0200	↓ -0.36	↑ 4.55

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.19	↑ 1.0	↓ -2.0
12 month	1.30	↑ 1.0	↓ -3.0
3 year	1.69	↑ 0.5	↓ -7.5
5 year	2.36	→ 0.0	↓ -7.0
10 year	3.44	↓ -1.0	↓ -4.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	7.5Y	RON 200 mn	RON 200 mn
Thursday	1Y	RON 700 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.78	↓ -5.0	↓ -33.0
3M ROBOR	1.36	→ 0.0	↓ -5.0
6M ROBOR	1.56	↓ -3.0	↓ -4.0
1Y ROBOR	1.66	↓ -1.0	↓ -5.0
5Y CDS	118.70	↑ 1.3	↑ 1.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4140	→ 0.00	↓ -0.04
USD/RON	3.8500	↓ -0.75	↓ -2.06
CHF/RON	4.0521	↑ 0.05	↑ 0.43
100HUF/RON	1.4258	↑ 0.50	↑ 0.79

Source: Reuters, OTP Research

Summary

- The RON was unchanged compared to the EUR on Wednesday.
- The MoF offers to sell RON 700 mn debt to primary dealers on today's auction.
- Romania's CA deficit amounted to EUR 585 mn in the period of January-August 2015.
- The BET marginally climbed higher yesterday (+0.1%).

The pessimistic sentiment continued to linger on Europe's and USA's financial markets yesterday, as concerns over global economic outlook did not fade. In Europe, investors might worry about weak industrial production data, while in the USA, among others the Fed's Beige Book pointed to some slowing signs in the economic activity. In such circumstances, the EUR/USD climbed higher toward 1.15. At the same time, the EUR/RON remained in its tight range, similarly to the previous few days, while in the CEE region, the HUF was the winner of the day, as it could strengthen versus the euro.

Government securities' fixing rates moved in different directions ahead of today's T-bill auction, where the Ministry of Finance aims to raise RON 700 mn. The benchmark yields at the short and medium term maturities inched up by 1 bp yesterday.

The National Bank of Romania released balance of payment and external debt statistics yesterday. According to the report, Romania's current account deficit stood at EUR 585 mn in the first eight months of the year, which is significantly lower than a year earlier (EUR -1.1 bn). Nevertheless, the 12M rolling deficit marginally increased (from 0% of GDP in July to 0.1% in August), as the gap between the export and import of goods has widened somewhat, first of all due to the stronger domestic demand. Simultaneously, the volume of net FDI inflows continued to increase, reaching EUR 2.3 bn since the end of last year, while the country's total external debt fell by almost EUR 5 bn.

The BVB indices showed little variation yesterday, after the highest gain was only 0.3%, registered by the BET's energy and related utilities index of BET-NG. On the other hand, the BET-FI slipped 0.3%, as five out of its six components closed in the red. Equities' total turnover was relatively low (RON 19 mn, out of which RON 12.6 mn came from trades with the shares of SNG). The main European and US stock indices ended lower yesterday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
13-Oct	Tuesday	August	Turnover of market serv. rendered mainly to enterp. (YoY%)	9.2	8.5
		August			
14-Oct	Wednesday	August	Wholesale turnover index (YoY%)	1.5	5.9
			CA balance (EUR mn, YTD)	-585	-347
15-Oct	Thursday		no data		
16-Oct	Friday	September	New passenger car registrations (YoY%)		14.9
19-Oct	Monday		no data		

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		13-Oct-15					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.3647	↑ 0.04	↑ 4.54	↑ 5.81		
OTP Obligatiuni	RON	14.1782	↑ 0.46	↑ 2.88	↑ 4.37		
OTP ComodisRO	RON	16.8155	↑ 0.12	↑ 1.90	↑ 3.33		
OTP Euro Bond	EUR	12.3580	↑ 0.19	↑ 2.79	↑ 3.71		
OTP Dollar Bond	USD	10.5557	↑ 0.34	↑ 2.27	↑ 3.59		
OTP Premium Return	RON	1058.5734	↑ 0.30	↑ 2.30	↑ 3.88		

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