

## Headquarter Treasury Sales

**Alexandru Tibuleac**

0372 31 85 85

alexandru.tibuleac@otpbank.ro

**Cristian Ilie**

0372 31 85 86

ilie.cristian@otpbank.ro

**Corina Bejan**

0372 31 85 84

corina.bejan@otpbank.ro

**Alina Gheorghita**

0372 31 85 83

alina.gheorghita@otpbank.ro

**Andreea Nica**

0755 000 106

andreea.nica@otpbank.ro

## Regional Treasury Sales

**Szilamer Kozma - Cluj**

0755 000 400

szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**

0755 000 199

tudor.zaman@otpbank.ro

**Laura Sirbu - Bucuresti**

0729 963 540

laura.sirbu@otpbank.ro

**Alexandru Sabin - Arad**

0730 577 959

alexandru.sabin@otpbank.ro



# Daily Report – Romania

Date: 09.11.2015

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,290.21	↓ -0.40	↑ 0.73
BET-TR	8,303.62	↓ -0.40	↑ 0.73
BET-FI	30,857.37	↓ -0.80	↓ -0.09
BET-XT	663.11	↓ -0.35	↑ 0.65
FP	0.8280	↓ -1.31	↑ 0.85
TLV	2.6300	↑ 1.15	↑ 2.14
SNG	29.2000	→ 0.00	↓ -0.17
EL	12.0800	↓ -0.17	↑ 2.37
SNP	0.3160	↓ -2.32	↓ -2.32

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.00	↑ 0.5	↑ 2.0
12 month	1.10	→ 0.0	↓ -0.5
3 year	1.55	→ 0.0	↑ 0.5
5 year	2.37	↑ 1.0	↑ 6.0
10 year	3.53	↑ 2.5	↑ 9.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	11.7Y	RON 100 mn	RON 100 mn
Thursday	12M	RON 1000 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.62	→ 0.0	↓ -2.0
3M ROBOR	1.13	↓ -2.0	↓ -4.0
6M ROBOR	1.41	→ 0.0	↑ 1.0
1Y ROBOR	1.57	↑ 1.0	↓ -3.0
5Y CDS	121.78	↑ 0.4	↑ 3.6

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4600	↑ 0.05	↑ 0.65
USD/RON	4.1485	↓ -0.04	↑ 3.16
CHF/RON	4.1347	↑ 0.20	↑ 1.43
100HUF/RON	1.4216	↑ 0.39	↑ 0.37

Source: Reuters, OTP Research

**Summary**

- Romania's inflation may stay at -0.7% in December 2015 and at 1.1% at the end of 2016, the NBR said yesterday.
- The RON marginally depreciated against the EUR on Monday.
- The MoF borrowed the planned amount of RON 100 mn yesterday.
- Romania's industrial production index increased by 3.9% YoY in September.
- In line with its Western European peers, the BET ended lower.

The National Bank of Romania revised downward its inflation forecast for December 2015 to -0.7% YoY from -0.3% YoY. At the same time, the NBR expects a higher growth rate of consumer prices at the end of 2016 (1.1% vs 0.7%). Excluding the impact of VAT reductions, Romania's headline inflation might stay at 2.1% in 2015 and reach 2.7% in 2016. At his press conference, Governor Isarescu confirmed that the minimum reserve ratio reductions remain on the NBR's agenda, while the CB may also consider narrowing the symmetrical corridor of interest rates around the policy rate in the following period. This may contribute to lower volatility of ROBOR rates. Nonetheless, the NBR's chief did not rule out an additional policy rate cut, but he noted that both external and internal environments are characterized by high uncertainties, and the NBR aims to follow a prudent policy. Regarding the recent political uncertainties, the CB Governor stated that the formation of a technocrat government seems to be quite probable, adding that the Prime Minister could be also a person from the National Bank. According to press information, the largest party of Romania's Parliament (PSD) proposed Mr Liviu Voinea as the new PM. Voinea currently is a member of the NBR's Board, while earlier he was Minister Delegate for the country's Budget in the second and third Ponta cabinets.

The EUR/RON was traded in a tight range yesterday, with the pair climbing marginally higher.

The Ministry of Finance sold the planned amount of RON 100 mn in 12Y bonds on Monday, while primary dealers subscribed for RON 159 mn. The average accepted yield stood at 4.21%.

The volume index of industrial production increased by 1.2% MoM in September (seasonally and working day adjusted data), while it advanced 3.9% in yearly comparison (gross data).

The negative global trading sentiment was felt in Bucharest too, sending the BVB's indices 0.2%-0.8% lower. Among the BET components the largest fall was registered by the oil company of OMW Petrom (-2.3%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
5-Nov	Thursday	November	Base rate decision (%)	1.75	1.75	1.75
6-Nov	Friday	September	Net wage growth rate (YoY%)	8.0		7.7
9-Nov	Monday	September	Industrial trade turnover index (YoY%)	0.9		2.6
		September	Index value of new orders in manufacturing (YoY%)	-3.9		3.8
		September	Exports (FOB, YoY%)	0.2		1.4
		September	Imports (CIF, YoY%)	4.9		10.9
10-Nov	Tuesday	September	Industrial production (YoY%)	3.9		5.5
11-Nov	Wednesday	October	Consumer price index (YoY%)			-1.7
		September	Construction works (YoY%)			10.8

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		6-Nov-15					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	8.5929	↑	3.53	↑	7.39	↑ 8.68
OTP Obligatiuni	RON	14.2161	↑	0.41	↑	3.15	↑ 4.31
OTP ComodisRO	RON	16.8316	↑	0.13	↑	1.99	↑ 3.09
OTP Euro Bond	EUR	12.3807	↑	0.26	↑	2.98	↑ 3.67
OTP Dollar Bond	USD	10.5769	↑	0.45	↑	2.48	↑ 3.35
OTP Premium Return	RON	1073.9206	↑	1.59	↑	3.78	↑ 5.04

**Chief Economist**
**Gergely Tardos**

+36 1 3747273

[tardosg@otpbank.hu](mailto:tardosg@otpbank.hu)
**Analyst**
**Csaba Bálint**

+4021 3075896

[csaba.balint@otpbank.ro](mailto:csaba.balint@otpbank.ro)

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