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Daily Report – Romania

Date: 18.11.2015

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	7,174.47	↓ -0.22	↓ -1.52	
BET-TR	8,171.78	↓ -0.22	↓ -1.52	
BET-FI	30,686.73	↓ -0.50	↓ -0.31	
BET-XT	654.27	↓ -0.29	↓ -1.19	
TLV	2.6000	↑ 1.17	↓ -1.33	
SNG	28.0500	↓ -0.53	↓ -3.28	
FP	0.8150	→ 0.00	↓ -2.04	
EL	11.8000	↓ -0.84	↓ -1.67	
BRD	12.1200	↓ -0.66	↑ 0.17	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	0.83	↓ -1.5	↓ -14.5	
12 month	0.96	↑ 0.5	↓ -13.0	
3 year	1.47	→ 0.0	↓ -8.0	
5 year	2.27	→ 0.0	↓ -8.5	
10 year	3.49	↑ 0.5	↓ -3.0	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	5.4Y	RON 500 mn	RON 500 mn
Thursday	9.3Y	RON 200 mn	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	0.52	↓ -2.0	↓ -3.0	
3M ROBOR	1.04	↓ -4.0	↓ -7.0	
6M ROBOR	1.37	↑ 1.0	↓ -3.0	
1Y ROBOR	1.53	↑ 1.0	↓ -3.0	
5Y CDS	119.56	↑ 0.0	↓ -2.2	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.4449	↑ 0.11	↑ 0.16	
USD/RON	4.1694	↓ -0.06	↑ 0.95	
CHF/RON	4.0887	↓ -0.55	↓ -0.54	
100HUF/RON	1.4320	↑ 0.27	↑ 0.63	

Source: Reuters, OTP Research

Summary

- The EUR/RON inched up near 4.445 on Wednesday.
- The Treasury aims to sell RON 200 mn in 9Y GSs today.
- The BVB indices closed in negative territory.

Mostly news coming from France on several police actions and controls in the light of last week's terror attacks, together with the disclosure of the Fed's minutes on its October policy meeting influenced trading sentiment on financial markets yesterday.

The CEE region's currencies moved in different directions, with the RON slightly losing ground against the EUR. As a result, the pair finished close to 4.445. At the same time, the EUR/USD inched a bit higher, despite the published minutes of the Federal Reserve, which revealed that the majority of policy makers are open to raise interest rates at their next meeting in December. Nonetheless, the message was not as unambiguous as several FX traders had expected.

Today the Treasury holds an auction in order to borrow RON 200 mn via 9.3Y bonds. On Wednesday, the benchmark government securities' yields did not change too much, but on weekly basis they eased 3-15 bps, with higher movements at the short end, causing the yield curve to become steeper. Simultaneously, Romania's 5Y CDS quotation also slipped 2 bps compared to last Wednesday, presumably helped by the appointment of the new technocrat government too.

Among the key European equity indices, France's CAC40 lost the most (-0.6%), while Germany's DAX declined only 0.1%. On the other hand, the FTSE100 could end slightly up (+0.2%). On the domestic front, the BVB indices finished in the red zone, with the BET slumping 0.2%, dragged down primarily by OMW Petrom (-1.6%), as the recent plunge in crude oil prices might weigh on the company. Nevertheless, the TLV rose 1.2%, becoming the best performer of the day. In the USA, the Fed's message regarding a possibly imminent rate hike could firm investor's confidence in the country's economy, helping the main stock indices to register nice gains, between 1.4%-1.8%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
13-Nov	Friday	Q3 2015	Flash GDP growth rate (YoY%)	3.6	3.0	3.4
		September	Turnover of market serv. rendered mainly to enterp. (YoY%)	4.5		9.1
		September	Wholesale turnover index (YoY%)	4.5		1.8
		September	CA balance (EUR mn, YTD)	-653		-585
16-Nov	Monday		no data			
17-Nov	Tuesday	October	New passenger car registrations (YoY%)	3.0		3.4
18-Nov	Wednesday		no data			
19-Nov	Thursday		no data			

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		17-Nov-15					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	8.5586	↑	2.22	↑	6.96	↑ 7.46
OTP Obligatiuni	RON	14.2417	↑	0.41	↑	3.34	↑ 4.38
OTP ComodisRO	RON	16.8393	↑	0.13	↑	2.04	↑ 3.03
OTP Euro Bond	EUR	12.3953	↑	0.23	↑	3.10	↑ 3.68
OTP Dollar Bond	USD	10.5791	↑	0.07	↑	2.50	↑ 2.84
OTP Premium Return	RON	1071.9784	↑	1.16	↑	3.60	↑ 4.25

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