

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: 03.12.2015

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	7,020.61	↑ 0.43	↓ -3.22	
BET-TR	7,996.53	↑ 0.43	↓ -3.22	
BET-FI	30,147.41	↓ -0.36	↓ -0.89	
BET-XT	641.23	↑ 0.37	↓ -2.88	
FP	0.8120	↓ -0.61	↓ -0.37	
TLV	2.4300	↑ 0.83	↓ -6.54	
SNG	28.1000	↑ 1.44	↓ -3.44	
BRD	11.5600	↑ 0.52	↓ -8.25	
TGN	270.0000	↑ 0.75	↑ 1.50	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	0.75	↓ -3.0	↓ -5.0	
12 month	0.88	↓ -2.0	↓ -4.5	
3 year	1.39	↓ -4.0	↓ -6.0	
5 year	2.21	↓ -2.0	↓ -3.0	
10 year	3.48	↓ -2.0	↓ -1.0	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Thursday	2.1Y	RON 600 mn	RON 600 mn
Monday	9.2Y	RON 200 mn	

MONEY MARKET				
	Rate (%)	Daily chg (bp)	Weekly chg (bp)	
ON ROBOR	0.60	↓ -1.0	↓ -11.0	
3M ROBOR	1.04	→ 0.0	↓ -6.0	
6M ROBOR	1.36	↑ 1.0	→ 0.0	
1Y ROBOR	1.52	↑ 1.0	↑ 1.0	
5Y CDS	119.12	↑ 0.9	↑ 1.8	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.4671	↑ 0.22	↑ 0.55	
USD/RON	4.0835	↓ -2.88	↓ -2.48	
CHF/RON	4.1104	↓ -0.41	↑ 0.52	
100HUF/RON	1.4253	↓ -0.90	↑ 0.19	

Source: Reuters, OTP Research

Summary

- The newly announced stimulus measures of the ECB apparently did not meet the elevated expectations of the market, leading to sharp EUR appreciation yesterday.
- Today's NIS data confirmed the cheering flash GDP estimate: Romania's economy grew by 1.4% QoQ and 3.6% YoY in third quarter of the year.
- The planned amount was sold at yesterday's bond auction.
- Despite the negative global trading mood, the BET could add 0.4% yesterday.

Following yesterday's policy-setting meeting, where the Governing Council decided to lower the interest rate on the deposit facility of the ECB to -0.30% from -0.20%, President Mario Draghi presented the additional stimulus measures in his press conference. Accordingly, among others actions, the European Central Bank will expand its monthly EUR 60 bn asset purchase programme at least until March 2017 (originally, the APP would have been finished six months earlier, in September 2016), while the principal payments on the purchased securities will be reinvested as well. Overall, the package will lead to even looser monetary policy conditions in the euro area, but it missed the elevated expectations of the market. Thus the EUR rallied yesterday, first of all against the USD, but the CEE region's currencies also lost ground compared to the euro, including the RON, which weakened around 0.2%.

At the same time, the ECB's new macroeconomic projections were also published. The central bank's expert staff foresees gradually increasing GDP growth figures for the following years: after 2015's 1.5%, 1.7% in 2016 and 1.9% in 2017, which are broadly in line with the earlier estimations. On the other hand, the HICP inflation forecasts were revised slightly downward: following 0.1% HICP advance in 2015, to 1.0% in 2016 and to 1.6% in 2017.

Today's detailed GDP data confirmed the flash estimate of the NIS: Romania's economy expanded by 1.4% QoQ (SWDA) and 3.6% YoY (gross data). As the high-frequency indicators already suggested, with the exception of the agriculture, which sharply declined (almost 15% YoY), all of the main sectors could inch up, registering positive contributions to the annual growth.

Yesterday, the Treasury sold the announced amount of RON 600 mn with a residual maturity of 2.1Y. Nine banks participated on the auction, submitting offers in value of RON 1.2 bn, while the average accepted yield eased by 10 bps compared to a similar transaction at the beginning of November, slipping to 1.43%.

Due to the general disappointment, which ruled global equity market following the ECB policy meeting, the main European and US stock indices ended the day with significant losses. Nevertheless, the BET could close in the green on Thursday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
1-Dec	Tuesday	no data			
2-Dec	Wednesday	October	Producer Price Index (YoY%)	-2.6	-2.8
		November	FX Reserves, EUR bn	32.1	31.6
3-Dec	Thursday	October	Tourists' overnight stays (YoY%)	14.1	16.9
		October	Retail trade (YoY%)	11.1	12.0
4-Dec	Friday	Q3 2015	Detailed GDP growth rate (YoY%, provisional data 1)	3.6	3.4
7-Dec	Monday	no data			

Source: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		28-Nov-15					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.4889	↑ 1.26	↑ 6.09	↑ 6.72		
OTP Obligatiuni	RON	14.2636	↑ 0.33	↑ 3.50	↑ 4.44		
OTP ComodisRO	RON	16.8484	↑ 0.13	↑ 2.10	↑ 2.98		
OTP Euro Bond	EUR	12.4126	↑ 0.24	↑ 3.24	↑ 3.76		
OTP Dollar Bond	USD	10.5883	↓ -0.07	↑ 2.59	↑ 2.74		
OTP Premium Return	RON	1074.9606	↑ 1.06	↑ 3.88	↑ 4.37		
OTP Global Mix	RON	9.9852	n.a.	n.a.	n.a.		
OTP Euro Premium Return	EUR	9.9884	n.a.	n.a.	n.a.		

Chief Economist
Gergely Tardos

+36 1 3747273

tardosg@otpbank.hu
Analyst
Csaba Bálint

+4021 3075896

csaba.balint@otpbank.ro

Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centered on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to csaba.balint@otpbank.ro or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.