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Daily Report – Romania

Date: 16.12.2015

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,794.75	↓ -0.98	↓ -3.43
BET-TR	7,739.25	↓ -0.98	↓ -3.43
BET-FI	29,879.32	↑ 0.54	↓ -1.48
BET-XT	623.44	↓ -0.74	↓ -3.05
SNG	26.4000	↓ -2.22	↓ -5.04
FP	0.7950	↑ 0.51	↓ -2.93
TLV	2.3300	↓ -2.10	↓ -2.51
EL	11.7000	↓ -0.51	↓ -1.85
BRD	11.2000	↓ -0.88	↓ -5.88

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.80	↑ 0.5	↑ 2.0
12 month	0.94	↑ 0.5	↑ 1.0
3 year	1.46	↑ 1.5	↑ 4.0
5 year	2.40	→ 0.0	↑ 9.5
10 year	3.76	↑ 1.5	↑ 13.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.3Y	RON 500 mn	RON 500 mn
Thursday	1Y	RON 500 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.52	↓ -2.0	↓ -4.0
3M ROBOR	1.04	→ 0.0	↑ 1.0
6M ROBOR	1.34	→ 0.0	↓ -1.0
1Y ROBOR	1.53	→ 0.0	↑ 2.0
5Y CDS	118.07	↓ -2.2	↓ -2.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5177	↑ 0.46	↑ 0.48
USD/RON	4.1253	↑ 0.29	↑ 1.16
CHF/RON	4.1830	↑ 0.80	↑ 0.95
100HUF/RON	1.4249	↑ 0.32	↑ 0.20

Sources: Reuters, OTP Research

Summary

- After keeping it close to zero in the past seven years, the Fed raised its key interest rate by 25 bps, in line with the expectations.
- The EUR/RON is traded around 4.50 this morning.
- The MoF holds a GS auction today.
- The positive trading sentiment could not help enough the BET to end the day up.

As expected, the US Federal Reserve increased its benchmark target range by 25 basis points to 0.25%-0.50%. The decision was made with a unanimous vote in the FOMC. At the same time, the Fed's economic projections were also released, foreseeing 2.1% GDP growth in 2015 and 2.4% in 2016, while inflation may climb gradually higher too. The Fed's so called 'dot plot' indicates that the benchmark rate could go up to 1.4% next year, suggesting four more hikes, while it may be raised further to 2.4% in 2017 and 3.3% in 2018.

On the news regarding the rate hike in the USA, the dollar appreciated somewhat compared to Europe's shared currency to around 1.09. After the regular trading hours, the EUR/RON inched up yesterday, but the RON started to strengthen this morning, pushing the pair lower.

Today the Ministry of Finance aims to sell RON 500 mn via 1Y government securities. On Wednesday, the yield curve shifted up by around 1 basis point on average, and 6 bps on weekly basis.

Waiting for the Fed's decision, European stocks mostly ended the day with gains on Wednesday. On the other hand, Romania's BET index slipped almost 1.0%, as only the shares of Fondul Proprietatea could climb somewhat higher (+0.5%) among the main index's components, while the worst performer Romgaz and Banca Transilvania lost more than 2% each. Nevertheless, the BVB's investment fund index, BET-FI was up (+0.5%), as all of the SIFs finished in positive territory, led by SIF Transilvania (+1.7%). Equities' total turnover stood at almost RON 35 mn yesterday. In the USA, the key stock indices closed with nice gains.

Tomorrow new commercial vehicle registration statistics will see the light of day.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
14-Dec	Monday	October	Industrial production (YoY%)	0.0	3.9
		October	CA balance (EUR mn, YTD)	-906	-653
15-Dec	Tuesday	November	New passenger car registrations (YoY%)	41.5	3.0
16-Dec	Wednesday		no data		
17-Dec	Thursday		no data		
18-Dec	Friday		New commercial vehicle registrations (YoY%)		4.2

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		15-Dec-15					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.3543	↓ -2.38	↑	4.41	↑	7.52
OTP Obligatiuni	RON	14.2501	↑ 0.10	↑	3.40	↑	4.01
OTP ComodisRO	RON	16.8574	↑ 0.12	↑	2.15	↑	2.37
OTP Euro Bond	EUR	12.3979	↑ 0.04	↑	3.12	↑	3.55
OTP Dollar Bond	USD	10.5660	↓ -0.12	↑	2.37	↑	2.45
OTP Premium Return	RON	1065.2577	↓ -0.40	↑	2.95	↑	3.83
OTP Global Mix	RON	9.9811	n.a.		n.a.		n.a.
OTP Euro Premium Return	EUR	9.8106	n.a.		n.a.		n.a.

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