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# Daily Report – Romania

Date: 04.01.2016

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,906.01	↓ -1.40	↓ -0.65
BET-TR	7,865.97	↓ -1.40	↓ -0.65
BET-FI	30,007.31	↓ -0.89	↓ -0.44
BET-XT	631.98	↓ -1.32	↓ -0.53
TLV	2.3700	↓ -2.47	↓ -1.66
FP	0.8000	↓ -1.23	↓ -0.99
SNG	26.7000	↓ -1.84	↑ 0.19
EL	12.0000	↓ -1.64	↑ 0.50
TEL	28.9000	↓ -0.86	↓ -0.86

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.79	→ 0.0	↑ 0.5
12 month	0.91	→ 0.0	→ 0.0
3 year	1.42	→ 0.0	→ 0.0
5 year	2.35	↓ -1.0	↓ -3.0
10 year	3.69	↓ -0.5	↓ -1.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	2.0Y	RON 600 mn	RON 600 mn
Thursday	9.1Y	RON 200 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.53	→ 0.0	↓ -9.0
3M ROBOR	1.00	↓ -2.0	↓ -2.0
6M ROBOR	1.34	→ 0.0	↓ -1.0
1Y ROBOR	1.52	→ 0.0	↓ -1.0
5Y CDS	120.28	↑ 2.2	↑ 2.2

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5241	↑ 0.04	↓ -0.06
USD/RON	4.1771	↑ 0.35	↑ 1.20
CHF/RON	4.1670	↑ 0.12	↓ -0.22
100HUF/RON	1.4377	↑ 0.34	↓ -0.34

Sources: Reuters, OTP Research

**Summary**

- The NBR's FX reserves increased for the third consecutive month in December.
- Yesterday, Romania's leu was broadly unchanged compared to the EUR, but lost ground against the USD.
- The Treasury sold the planned amount of RON 600 at the first auction of the year.
- Stock markets started 2016 with large falls.

The NBR's foreign exchange reserves increased by EUR 134 mn during December, ending last year at EUR 32.24 bn. Inflows stood at EUR 1,072 mn in December, outpacing outflows by EUR 938 mn. Compared to December 2014, the level of the FX reserves remained roughly flat, while the central bank's gold stocks also were unchanged at 103.7 tonnes, representing almost EUR 3.25 bn.

Today no important macroeconomic data will be released.

The CEE region's currencies moved in mixed directions yesterday, with the PLN depreciating notably compared to the common European currency, while the EUR/RON did not change significantly, staying close to 4.52. On the other hand, Romania's leu weakened against the US dollar, after risk aversion escalated among investors on the back of rising worries about the slowing Chinese economy.

The first auction of the year was managed successfully by the Treasury, as it sold the planned amount of RON 600 mn via 2Y government securities. The average yield stood at 1.47%, slightly higher than at the similar auction a month earlier, while commercial banks subscribed for almost RON 990 mn.

Overall, interbank money market rates changed little on Monday, but the ROBOR 3M reference rate slipped two basis points, easing to 1.00%, which is a fresh record low. This may confirm that the market is characterized by massive excess liquidity, presumably because of higher government spending at the end of 2015.

Equity markets started the year on the wrong foot, after Chinese stocks registered steep losses, triggered by a weaker than expected manufacturing PMI report. Among the main European benchmarks, Germany's DAX slumped the most (-4.3%), but the other indices also dropped significantly. The negative market sentiment was reflected on the BVB too, with the BET falling 1.4%. Only two components of the BET could finish in the green zone (SNN +0.8%; SNP +0.5%), while banking shares recorded the highest losses: BRD -3.0%, TLV -2.5%. On the other side of the Atlantic, stock markets also fell sharply, while crude oil prices were under selling pressure too, after political tensions intensified between Saudi Arabia and Iran. Both countries are influential members of the OPEC.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
4-Jan	Monday	December	FX Reserves, EUR bn	32.2	32.1
5-Jan	Tuesday		no data		
6-Jan	Wednesday	November	Producer Price Index (YoY%)		-2.6
7-Jan	Thursday	January	Base rate decision (%)	1.75	1.75
		November	Retail trade (YoY%)		11.1
		November	ILO unemployment rate (% , seasonally adjusted)		6.8
		November	Tourists' overnight stays (YoY%)		14.1
		December	Economic Sentiment Indicator		104.8
		December	Consumer Confidence Indicator		-17.8

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		30-Dec-15					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.5023	↓ -0.18	↑	6.26	↑	6.26
OTP Obligatiuni	RON	14.2575	↑ 0.02	↑	3.45	↑	3.45
OTP ComodisRO	RON	16.8672	↑ 0.13	↑	2.21	↑	2.21
OTP Euro Bond	EUR	12.4027	↓ -0.04	↑	3.16	↑	3.16
OTP Dollar Bond	USD	10.5682	↓ -0.18	↑	2.39	↑	2.39
OTP Premium Return	RON	1071.7859	↓ -0.30	↑	3.58	↑	3.58
OTP Euro Premium Return	EUR	9.8327	n.a.		n.a.		n.a.
OTP Global Mix	RON	9.9992	n.a.		n.a.		n.a.

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