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Daily Report – Romania

Date: 12.01.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,568.97	↓ -0.60	↓ -4.34
BET-TR	7,482.08	↓ -0.60	↓ -4.34
BET-FI	28,846.66	↓ -0.63	↓ -4.20
BET-XT	603.44	↓ -0.48	↓ -4.14
FP	0.7540	↓ -2.84	↓ -6.22
SNG	25.3500	↓ -0.59	↓ -4.88
TLV	2.2500	↑ 0.90	↓ -3.23
EL	11.9600	↓ -0.50	↓ -0.99
COTE	75.0000	↓ -1.32	↓ -0.79

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.73	↓ -1.0	↓ -5.5
12 month	0.86	↓ -2.5	↓ -5.0
3 year	1.34	↓ -3.5	↓ -8.5
5 year	2.27	↓ -3.0	↓ -8.0
10 year	3.60	↓ -4.0	↓ -9.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.9Y	RON 300 mn	RON 352 mn
Thursday	3.3Y	RON 600 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.39	↓ -4.0	↓ -13.0
3M ROBOR	0.95	↓ -2.0	↓ -5.0
6M ROBOR	1.29	↓ -3.0	↓ -5.0
1Y ROBOR	1.48	↓ -1.0	↓ -4.0
5Y CDS	118.06	⇒ 0.0	↓ -1.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5325	↓ -0.01	↑ 0.29
USD/RON	4.1730	↓ -0.03	↓ -0.72
CHF/RON	4.1588	↓ -0.13	↓ -0.24
100HUF/RON	1.4322	↑ 0.33	↓ -0.67

Sources: Reuters, OTP Research

Summary

- The annual inflation rate ended year 2015 at -0.9%.
- Wages' growth became even stronger in November.
- Industrial production fell 0.2% MoM in the eleventh month of 2015.
- The EUR/RON showed little variation amid low volumes yesterday.
- ROBOR rates declined 1-4 bps on Tuesday.

Romania's annual inflation rate climbed higher, from November's -1.1% YoY to -0.9% YoY in December. Food items continued to become more expensive on monthly basis (+0.1% MoM), driven by vegetables (+3.0% MoM) and eggs (+3.6% MoM), despite the fall in citrus and other tropical fruit prices (-7.0% MoM). On the other hand, they remained deep in the negative territory in annual terms (-6.2% YoY), after last year's food VAT rate cut. In December, the price level of non-food products (-0.1% MoM) was dragged down by fuels (-0.8% MoM), because of a newer plunge of crude oil prices. Nonetheless, they could inch up almost 2.0% in yearly comparison. At the same time, services' prices increased by 0.4% MoM, supported also by a weaker RON in December, pushing services' annual inflation higher, to 2.4% YoY.

Beyond inflation data, the National Institute of Statistics published average wage statistics for November this morning. According to the report, net wages' growth accelerated further to 10.0% YoY, from 9.7% YoY in October. In real terms, net wages inched up by 11.3% YoY.

Nevertheless, industrial production slipped a bit in November, pointing to a 0.2% MoM drop (seasonally and working day adjusted data), despite the good performance of the manufacturing sector (+0.6% MoM, SWDA data). On the other hand, the volume index of industrial production still could go up 1.9% year-on-year (gross data).

Yesterday the CEE region's currencies moved in mixed directions against the EUR, but the RON remained practically unchanged, staying around 4.43. At the same time, it was roughly flat compared to the US dollar too, as the EUR/USD took a short break in its downward trend on Tuesday.

Yesterday interbank lending rates continued to fall, dropping by 3 bps on average. As a result, the ROBOR 3M set again a new record low (0.95%). On weekly basis, money market lending rates shrunk by 4-14 bps.

The BVB could not fully benefit from the improving global trading sentiment. Hence the key indices closed lower yesterday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
13-Jan	Wednesday	December	Consumer price index (YoY%)	-0.9	-0.8	-1.1
		November	Industrial trade turnover index (YoY%)	1.9		0.5
	November	Index value of new orders in manufacturing (YoY%)	6.4		4.1	
	November	Industrial production (YoY%)	1.9		0.0	
	November	Net wage growth rate (YoY%)	10.0		9.7	
	November	CA balance (EUR mn, YTD)				-906
14-Jan	Thursday	November	Construction works (YoY%)			9.7
		November	Turnover of market serv. provided to the population (YoY%)			14.7

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		11-Jan-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.1683	↓ -2.62	↓	-3.93	↑	2.27
OTP Obligatiuni	RON	14.2785	↑ 0.16	↑	0.15	↑	3.49
OTP ComodisRO	RON	16.8757	↑ 0.12	↑	0.05	↑	1.76
OTP Euro Bond	EUR	12.4168	↑ 0.12	↑	0.11	↑	3.23
OTP Dollar Bond	USD	10.5713	↓ -0.08	↑	0.03	↑	2.40
OTP Premium Return	RON	1060.5721	↓ -0.68	↓	-1.05	↑	2.31
OTP Euro Premium Return	EUR	9.8255	↓ -0.10	↓	-0.07		n.a.
OTP Global Mix	RON	9.9750	↓ -0.16	↓	-0.24		n.a.

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