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Daily Report – Romania

Date: 13.01.2016

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET | 6,573.13 | ↑ 0.06 | ↓ -3.39 |
| BET-TR | 7,486.81 | ↑ 0.06 | ↓ -3.39 |
| BET-FI | 28,851.25 | ↑ 0.02 | ↓ -3.81 |
| BET-XT | 603.72 | ↑ 0.05 | ↓ -3.28 |
| FP | 0.7550 | ↑ 0.13 | ↓ -5.63 |
| EL | 11.9800 | ↑ 0.17 | ↓ -0.17 |
| TLV | 2.2850 | ↑ 1.56 | ↓ -0.44 |
| SNG | 25.0000 | ↓ -1.38 | ↓ -5.84 |
| BRD | 10.8000 | ↓ -0.74 | ↓ -5.26 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 0.67 | ↓ -6.0 | ↓ -11.5 |
| 12 month | 0.81 | ↓ -4.5 | ↓ -9.0 |
| 3 year | 1.31 | ↓ -3.5 | ↓ -12.0 |
| 5 year | 2.22 | ↓ -5.5 | ↓ -14.0 |
| 10 year | 3.53 | ↓ -7.0 | ↓ -18.0 |

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 | 0.37 | ↓ -2.0 | ↓ -9.0 |
| 3M ROBOR | 0.92 | ↓ -3.0 | ↓ -6.0 |
| 6M ROBOR | 1.29 | → 0.0 | ↓ -6.0 |
| 1Y ROBOR | 1.48 | → 0.0 | ↓ -4.0 |
| 5Y CDS | 118.07 | ↑ 0.0 | ↓ -0.9 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4.5337 | ↑ 0.03 | ↑ 0.19 |
| USD/RON | 4.1694 | ↓ -0.09 | ↓ -0.64 |
| CHF/RON | 4.1437 | ↓ -0.36 | ↓ -0.52 |
| 100HUF/RON | 1.4351 | ↑ 0.20 | ↓ -0.17 |

Sources: Reuters, OTP Research

Summary

- Romania's CA deficit continued to expand, November's provisional data revealed; but FDI inflows could also improve.
- The EUR/RON was traded above 4.43 at the end of yesterday's session.
- The Treasury aims to borrow RON 600 mn today.
- Romanian stocks ended mixed.

After marking a U-turn, Romania's current account deficit continued to widen, according to the NBR's provisional data revealed yesterday. In absolute terms, the deficit increased to EUR 1,009 mn in the period of January-November 2015, from EUR 440 mn a year earlier, first of all due to a larger gap between the export and the import of goods (EUR -6.5 bn vs. EUR -5.6 bn). Moreover, the balance of primary incomes, which among others includes incomes from investments, deteriorated significantly too (EUR -3.3 bn vs EUR -2.0 bn). On the other hand, these drops were partially offset by the higher surplus in the balance of services (EUR 6.3 bn vs. EUR 5.4 bn) and secondary incomes (EUR 2.5 bn vs. EUR 1.7 bn). It may be worth noting that non-residents' direct investments increased even further in the first eleven months of the year, reaching almost EUR 2.9 bn, the highest value since 2009.

At the same time, the country's total external debt eased EUR 3.5 bn, compared to December 2014. This was due to a drop in long-term debt, to EUR 71.6 bn as of November 2015. Nonetheless, short-term debt climbed somewhat higher, to EUR 19.6 bn.

November's construction output remained flat on monthly basis, while in yearly comparison it grew by 5.9%, the NIS said this morning. Simultaneously, the turnover index of market services provided to the population advanced 0.3% MoM (SWDA data) and rose 15.0% YoY (gross data) in November 2015.

Tomorrow the second detailed estimation of Q3 GDP will see the light of day, while the turnover of market services rendered mainly to enterprises, as well as wholesale trade data are set to be released too.

Yesterday the EUR/RON was traded lower at the beginning of the session, but later the RON gradually lost ground against the shared European currency, ending the day above 4.43.

Today the Treasury plans to hold an auction to sell RON 600 mn in 3.3Y bonds.

The BVB's indices showed little variation yesterday. The key indices finished near their previous closing levels, with the BET gaining less than 0.1%. Nonetheless, the individual components of the BET changed mixed, with the shares of BVB (+1.9%) and TLV (+1.6%) advancing the most, while Romgaz recorded the weakest performance (-1.4%).

| Date | PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|--------|----------|-----------|--|-----------|----------|
| 14-Jan | Thursday | November | Construction works (YoY%) | 5.9 | 9.7 |
| | | November | Turnover of market serv. provided to the population (YoY%) | 15.0 | 15.2 |
| 15-Jan | Friday | Q3 2015 | Detailed GDP growth rate (YoY%, provisional data 2) | | 3.6 |
| | | November | Wholesale turnover index (YoY%) | | 3.7 |
| | | November | Turnover of market serv. rendered mainly to enterp. (YoY%) | | 6.8 |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds | | 12-Jan-16 | | | | | |
|---------------------------|-----|------------|---------|---|-------|---|------|
| Investment funds | ccy | last NAV/U | 1m% | | Ytd% | | 52W% |
| OTP AvantisRO | RON | 8.1378 | ↓ -2.98 | ↓ | -4.29 | ↑ | 1.85 |
| OTP Obligatiuni | RON | 14.2823 | ↑ 0.18 | ↑ | 0.17 | ↑ | 3.49 |
| OTP ComodisRO | RON | 16.8767 | ↑ 0.13 | ↑ | 0.06 | ↑ | 1.75 |
| OTP Euro Bond | EUR | 12.4168 | ↑ 0.12 | ↑ | 0.11 | ↑ | 3.21 |
| OTP Dollar Bond | USD | 10.5700 | ↓ -0.09 | ↑ | 0.02 | ↑ | 2.38 |
| OTP Premium Return | RON | 1058.8661 | ↓ -0.84 | ↓ | -1.21 | ↑ | 2.17 |
| OTP Euro Premium Return | EUR | 9.8319 | ↓ -0.04 | ↓ | -0.01 | | n.a. |
| OTP Global Mix | RON | 9.9658 | ↓ -0.25 | ↓ | -0.33 | | n.a. |

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