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Daily Report – Romania

Date: 21.01.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,265.30	↑ 3.34	↓ -2.33
BET-TR	7,136.18	↑ 3.34	↓ -2.33
BET-FI	26,453.42	↑ 2.28	↓ -5.78
BET-XT	570.72	↑ 3.09	↓ -3.18
TLV	2.2600	↑ 3.43	↑ 0.44
FP	0.7230	↑ 3.29	↓ -0.82
SNG	23.4000	↑ 4.93	↓ -4.49
EL	11.9000	↑ 4.94	↓ -0.83
BRD	10.2000	↑ 2.00	↓ -2.86

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.64	↓ -2.0	↑ 0.5
12 month	0.80	↓ -1.5	↑ 1.0
3 year	1.34	→ 0.0	↑ 3.5
5 year	2.24	↑ 0.5	↑ 6.5
10 year	3.54	↑ 1.0	↑ 3.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6M	RON 800 mn	RON 800 mn
Thursday	11.5Y	RON 200 mn	RON 220 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.36	→ 0.0	↓ -2.0
3M ROBOR	0.91	↓ -1.0	↓ -1.0
6M ROBOR	1.26	→ 0.0	↓ -4.0
1Y ROBOR	1.44	→ 0.0	↓ -3.0
5Y CDS	120.27	↑ 0.8	↑ 2.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5290	↓ -0.18	↓ -0.13
USD/RON	4.1641	↑ 0.06	↓ -0.23
CHF/RON	4.1345	↓ -0.20	↓ -0.44
100HUF/RON	1.4405	↑ 0.05	↑ 0.05

Sources: Reuters, OTP Research

Summary

- ECB President Mario Draghi sent a dovish message to the markets yesterday, opening the door for further easing measures.
- The RON gained ground compared to the EUR on Thursday.
- The Treasury borrowed more than planned at yesterday's bond auction.
- Romanian stocks showed a strong rally.

In line with the expectations, the Governing Council of the European Central Bank decided to keep the key interest rates unchanged. On the other hand, central bank's President Mario Draghi clearly opened the door for further monetary easing measures on the post-meeting press conference, as inflation outlook deteriorated significantly, after recent fall in commodity prices.

Draghi's dovish message sent the EUR/USD lower, while the CEE region's currencies also firmed mostly against the euro. As a result, the EUR/RON finished the day below 4.53 on Thursday.

The Treasury sold RON 220 mn debt via 11.5Y bonds, which is more than the planned amount of RON 200 mn. Banks submitted offers in value of RON 411 mn, while the average yield stood at 4.02%.

On Thursday, money market lending rates changed mixed, with the ROBOR 3M decreasing 1 basis point, to 0.91%.

Rebounding oil prices and Draghi's speech helped stock markets to register nice gains in yesterday's trading. The key European indices inched up around 2%, and the positive sentiment supported Romanian equities too. At the end of the day, all of the BVB benchmarks were in the green, adding up to 3.7%. The majority of the BET's components rallied, led by Transelectrica (+6.1%), while Romgaz and Electrica also surged 4.9% each. Nonetheless, the cheering performance was not coupled with unusually high volumes, as equities' total turnover stood at only RON 22 mn.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
18-Jan	Monday		no data		
19-Jan	Tuesday		no data		
20-Jan	Wednesday		no data		
21-Jan	Thursday		no data		
22-Jan	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		20-Jan-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	7.5878	↓ -9.07	↓ -10.76	↓ -5.24		
OTP Obligatiuni	RON	14.2848	↑ 0.26	↑ 0.19	↑ 3.43		
OTP ComodisRO	RON	16.8827	↑ 0.14	↑ 0.09	↑ 1.74		
OTP Euro Bond	EUR	12.4156	↑ 0.14	↑ 0.10	↑ 3.11		
OTP Dollar Bond	USD	10.5700	↑ 0.09	↑ 0.02	↑ 2.34		
OTP Premium Return	RON	1042.7136	↓ -2.24	↓ -2.71	↑ 0.04		
OTP Euro Premium Return	EUR	9.7542	↓ -0.94	↓ -0.80	n.a.		
OTP Global Mix	RON	9.9280	↓ -0.59	↓ -0.71	n.a.		

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