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# Daily Report – Romania

Date: 27.01.2016

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,260.44	↑ 0.25	↑ 3.26
BET-TR	7,130.63	↑ 0.25	↑ 3.26
BET-FI	27,551.22	↑ 1.18	↑ 6.53
BET-XT	574.41	↑ 0.21	↑ 3.76
TLV	2.3000	↑ 0.88	↑ 5.26
FP	0.7270	↑ 1.82	↑ 3.86
BRD	10.1400	↓ -1.17	↑ 1.40
EL	11.4000	↓ -1.89	↑ 0.53
SNP	0.2450	↑ 0.41	↑ 0.82

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.52	↓ -8.0	↓ -14.5
12 month	0.75	↓ -2.5	↓ -6.5
3 year	1.28	↓ -1.0	↓ -6.5
5 year	2.17	↓ -0.5	↓ -6.5
10 year	3.52	↑ 2.0	↓ -0.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	6M	RON 1000 mn	RON 1000 mn
Monday	5.2Y	RON 500 mn	RON 500 mn

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.44	↑ 3.0	↑ 8.0
3M ROBOR	0.89	↑ 1.0	↓ -3.0
6M ROBOR	1.20	↑ 2.0	↓ -6.0
1Y ROBOR	1.39	↑ 5.0	↓ -5.0
5Y CDS	117.40	↑ 0.0	↓ -2.9

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5411	↑ 0.19	↑ 0.09
USD/RON	4.1689	↑ 0.01	↑ 0.17
CHF/RON	4.1064	↑ 0.15	↓ -0.88
100HUF/RON	1.4452	↓ -0.44	↑ 0.37

Sources: Reuters, OTP Research

**Summary**

- Non-government loans increased in 2015, after two consecutive years of decline.
- New building permits advanced further in December.
- The RON depreciated against the EUR, in line with other currencies of the CEE region.
- As expected, the Fed did not change its benchmark interest rates.
- Romanian stocks mostly went up yesterday.

The National Bank of Romania published December's monetary indicators, including loan and deposit statistics. After two consecutive years when the volume of non-government loans declined, they expanded to RON 217.5 bn in 2015, registering a yearly growth rate of 3.0%, while our in-house FX adjusted data shows around 2% YoY gain. This positive movement was supported by RON-denominated loans, which surged by 18.8% YoY, in contrast with foreign currency denominated credits, which fell 9.9% YoY (or more than 11% on FX adjusted basis). The mortgage segment was the main driver behind the good performance of RON loans, after it went up to RON 18.7 bn in December 2015, from RON 9.5 bn a year earlier. Nevertheless, RON-denominated household and corporate loans also increased. Beyond the improved lending activity, conversions also helped the positive dynamics of RON credits.

To some extent, the last month of 2015 was a bit disappointing, as the total volume of non-government loans recorded a drop compared to November, but most probably this was the result of selling NPL portfolios by certain market participants during December. The NPL ratio of the banking system continued to ease last year, reaching 11.7% in November 2015 (December's data is not available yet).

At the same time, private deposits advanced nicely, growing by 8.6% YoY (or 7.7%, FX-adjusted), while in month-on-month comparison they added 6.8%, presumably also due to higher payments from the public budget.

The number of new building permits grew by 7.1% YoY in December and by 3.8% YoY in full year 2015, the NIS said this morning. Yesterday the RON and its regional peers weakened compared to the common European currency, ahead the Fed's policy decision. As a result, the EUR/RON finished yesterday's trading around 4.54. The Federal Reserve kept its benchmark interest rates unchanged, in line with the market expectations. Nonetheless, US policy makers did not exclude a rate hike on their next meeting in March, but they also noted that the US economic growth slowed down in the latest period and inflation may remain low in the near term as well.

European stocks finished in the green on Wednesday, helped by rising oil prices, but the main US indices turned into the negative territory, after the Fed's policy announcement. In Bucharest, the key indices registered mostly modest gains, led by the BET-FI, which added 1.2%. On the other hand, equities' total turnover was quite low, staying around RON 14 mn.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
26-Jan	Tuesday	December	New commercial vehicle registrations (YoY%)	51.8	31.1
27-Jan	Wednesday	December	M3 (broad money, YoY%)	9.3	8.2
		December	Non-government loans (YoY%)	3.0	2.3
		December	Non-government deposits (YoY%)	8.6	7.3
28-Jan	Thursday	December	Licenses for residential buildings (YoY%)	7.1	-0.8
		January	Economic Sentiment Indicator		103.5
		January	Consumer Confidence Indicator		-20.6
29-Jan	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		26-Jan-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	7.8760	↓ -6.90	↓ -7.37	↓ -2.54		
OTP Obligatiuni	RON	14.2992	↑ 0.33	↑ 0.29	↑ 3.45		
OTP ComodisRO	RON	16.8877	↑ 0.14	↑ 0.12	↑ 1.59		
OTP Euro Bond	EUR	12.4207	↑ 0.17	↑ 0.15	↑ 3.11		
OTP Dollar Bond	USD	10.5797	↑ 0.15	↑ 0.11	↑ 2.42		
OTP Premium Return	RON	1052.1395	↓ -1.71	↓ -1.83	↑ 0.47		
OTP Euro Premium Return	EUR	9.7681	↓ -0.55	↓ -0.66	n.a.		
OTP Global Mix	RON	9.9412	↓ -0.52	↓ -0.58	n.a.		

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