

Headquarter Treasury Sales

Alexandru Tibuleac

0372 31 85 85

alexandru.tibuleac@otpbank.ro

Cristian Ilie

0372 31 85 86

ilie.cristian@otpbank.ro

Corina Bejan

0372 31 85 84

corina.bejan@otpbank.ro

Alina Gheorghita

0372 31 85 83

alina.gheorghita@otpbank.ro

Andreea Nica

0755 000 106

andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj

0755 000 400

szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti

0755 000 199

tudor.zaman@otpbank.ro

Laura Sirbu - Bucuresti

0729 963 540

laura.sirbu@otpbank.ro

Alexandru Sabin - Arad

0730 577 959

alexandru.sabin@otpbank.ro



Daily Report – Romania

Date: 29.01.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,268.84	↑ 0.38	↓ -1.70
BET-TR	7,140.19	↑ 0.38	↓ -1.70
BET-FI	27,764.60	↑ 0.79	↑ 1.26
BET-XT	576.70	↑ 0.49	↓ -1.03
TLV	2.2600	↓ -1.31	↓ -2.59
BRD	10.0400	↑ 0.80	↓ -3.46
SNP	0.2480	↑ 0.61	↓ -1.00
SNG	23.7000	↓ -0.21	↓ -2.07
FP	0.7300	↑ 1.39	↓ -0.95

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.48	↓ -2.0	↓ -15.5
12 month	0.72	↓ -2.0	↓ -7.5
3 year	1.22	↓ -4.5	↓ -8.5
5 year	2.14	↓ -2.0	↓ -8.0
10 year	3.47	↓ -5.0	↓ -4.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.2Y	RON 800 mn	
Thursday	12M	RON 1000 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.40	↓ -3.0	↑ 3.0
3M ROBOR	0.85	↓ -1.0	↓ -7.0
6M ROBOR	1.13	↓ -5.0	↓ -13.0
1Y ROBOR	1.32	↓ -4.0	↓ -11.0
5Y CDS	112.90	↓ -3.1	↓ -6.5

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5560	↑ 0.30	↑ 0.48
USD/RON	4.1882	↑ 0.86	↓ -0.23
CHF/RON	4.0901	↓ -0.15	↓ -0.90
100HUF/RON	1.4576	↑ 0.61	↑ 0.28

Sources: Reuters, OTP Research

Summary

- The RON ended January somewhat weaker compared to the EUR.
- The yield curve shifted lower last week.
- Stock markets performed well on Friday, but finished the first month of 2016 in the red zone.

Friday's trading on global financial markets was mostly optimistic, after the surprise decision of Japan's central bank to adopt negative interest rates in order to stimulate the country's economy. Amid the positive sentiment, the leu's regional peers gained ground against the EUR, while the EUR/RON was also traded lower, especially in the early hours of the session. Nevertheless, the RON started to depreciate compared to the common European currency late afternoon, ending the day weaker. At the same time, the US dollar strengthened against the EUR, pushing the pair close to 1.08.

Government securities' yields continued to ease on Friday. As a result, the yield curve shifted down around 9 bps on average last week, with the largest movement at the 6M maturity (-16 bps). Moreover, interbank lending rates also fell, sending the ROBOR 12M to only 1.32%.

Stock markets rallied on Friday, with the main European indices adding 1.6%-2.6%, while the key US benchmarks also surged more than 2%. On the other hand, these gains were not enough to offset earlier losses registered during January, hence equity markets finished last month significantly lower on worries about global growth outlook. The BVB was not an exception, as the main index, the BET closed higher on Friday (+0.4%), but it lost around 10% in January.

This week's macroeconomic calendar is richer, as several reports will come out, such as retail trade and unemployment statistics, while the main event of the week will be the NBR's monetary policy meeting, set to be held on Friday.

Today international reserves data will see the light of day.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
28-Jan	Thursday	December	Licenses for residential buildings (YoY%)	7.1	-0.8
		January	Economic Sentiment Indicator	104.5	103.5
		January	Consumer Confidence Indicator	-17.9	-20.6
29-Jan	Friday	no data			
1-Feb	Monday	January	FX Reserves, EUR bn		32.1
2-Feb	Tuesday	December	ILO unemployment rate (% , seasonally adjusted)		6.7
		December	Producer Price Index (YoY%)		-2.6

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		28-Jan-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	7.9078	↓ -6.70	↓	-6.99	↓	-1.64
OTP Obligatiuni	RON	14.3044	↑ 0.32	↑	0.33	↑	3.53
OTP ComodisRO	RON	16.8889	↑ 0.14	↑	0.13	↑	1.58
OTP Euro Bond	EUR	12.4247	↑ 0.17	↑	0.18	↑	3.14
OTP Dollar Bond	USD	10.5889	↑ 0.17	↑	0.20	↑	2.50
OTP Premium Return	RON	1056.2873	↓ -1.31	↓	-1.45	↑	1.32
OTP Euro Premium Return	EUR	9.7357	↓ -0.67	↓	-0.99		n.a.
OTP Global Mix	RON	9.9352	↓ -0.63	↓	-0.64		n.a.

Chief Economist
Gergely Tardos

+36 1 3747273

tardosg@otpbank.hu
Analyst
Csaba Bálint

+4021 3075896

csaba.balint@otpbank.ro

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