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Daily Report – Romania

Date: 08.02.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,238.58	↓ -2.22	↓ -1.33
BET-TR	7,105.71	↓ -2.22	↓ -1.33
BET-FI	27,595.84	↓ -2.59	↓ -1.38
BET-XT	573.46	↓ -2.18	↓ -1.28
FP	0.7430	↓ -2.62	↓ -0.13
EBS	105.5000	↓ -8.26	↓ -10.59
TLV	2.2500	↓ -2.17	↓ -2.17
BRD	10.2000	↓ -2.11	↑ 0.59
SNG	23.7500	↓ -2.66	↓ -0.42

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.43	↑ 0.5	↓ -2.5
12 month	0.64	↑ 1.5	↓ -8.0
3 year	1.09	⇒ 0.0	↓ -9.0
5 year	1.98	↓ -0.5	↓ -13.0
10 year	3.21	⇒ 0.0	↓ -21.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	12M	RON 1000 mn	RON 1000 mn
Monday	11.5Y	RON 400 mn	RON 419.4 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.38	↓ -1.0	↓ -3.0
3M ROBOR	0.79	↓ -3.0	↓ -6.0
6M ROBOR	1.05	⇒ 0.0	↓ -11.0
1Y ROBOR	1.20	↓ -3.0	↓ -15.0
5Y CDS	114.22	↑ 2.6	↑ 1.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4785	↓ -0.31	↓ -0.99
USD/RON	4.0018	↓ -0.65	↓ -3.67
CHF/RON	4.0653	↑ 0.12	↓ -0.19
100HUF/RON	1.4408	↓ -0.83	↓ -1.14

Sources: Reuters, OTP Research

Summary

- Despite the gloomy mood, the RON ended stronger on Monday.
- Imports increased by 12.4% YoY in December, outpacing export's growth (3.8%) again.
- The MoF sold more than planned in 11.5Y bonds yesterday.
- On Monday, the ROBOR 3M slipped below 0.8%.
- All of the BVB indices closed in the red; the BET lost 2.2%.

After last Friday's disappointing US nonfarm payroll data, the negative sentiment continued to characterize financial markets at the beginning of this week too. Concerns about slowing growth and shrinking crude oil prices set the tone of Monday's trading session. As a result, the majority of the CEE region's currencies finished weaker compared to the EUR, while the RON went in the opposite direction, appreciating to around 4.48. Nevertheless, the EUR/RON is trading higher this morning.

In December, exports (FOB) advanced 3.8% YoY and imports (CIF) surged 12.4% YoY, according to the NIS's fresh report. In the entire year of 2015, exports added 4.1%, reaching EUR 54.6 bn, while imports increased by 7.6% to EUR 63.0 bn.

Yesterday, the Ministry of Finance borrowed RON 419.4 mn via 11.5Y bonds, which is slightly above the planned amount of RON 400 mn. The demand was quite high, lifting the bid-to-cover ratio well above 2, while the average accepted yield stood at 3.65%. This is significantly lower than two weeks earlier, when the MoF sold RON 220.2 mn in bonds with the same maturity at 4.02% yield.

Money market lending rates mostly eased yesterday. The ROBOR 3M passed through the 0.8% level, reaching 0.79%.

Equity markets suffered on Monday, registering large falls. Germany's DAX sank 3.3%, but the key US indices also dropped, with the S&P500 recording a 1.4% loss. In line with global trends, Romanian stocks also shrank sharply.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
4-Feb	Thursday	no data			
5-Feb	Friday	February	Base rate decision (%)	1.75	1.75
8-Feb	Monday	December	Net wage growth rate (YoY%)	13.3	10.0
9-Feb	Tuesday	December	Exports (FOB, YoY%)	3.8	1.8
		December	Imports (CIF, YoY%)	12.4	8.4
10-Feb	Wednesday	December	Industrial trade turnover index (YoY%)		1.9
		December	Index value of new orders in manufacturing (YoY%)		6.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		5-Feb-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.0684	↓ -4.09	↓ -5.10	↓ 0.00		
OTP Obligatiuni	RON	14.3334	↑ 0.47	↑ 0.53	↑ 3.68		
OTP ComodisRO	RON	16.8943	↑ 0.14	↑ 0.16	↑ 1.56		
OTP Euro Bond	EUR	12.4302	↑ 0.14	↑ 0.22	↑ 3.09		
OTP Dollar Bond	USD	10.6042	↑ 0.29	↑ 0.34	↑ 2.60		
OTP Premium Return	RON	1064.1549	↓ -0.30	↓ -0.71	↑ 2.36		
OTP Euro Premium Return	EUR	9.6198	↓ -2.49	↓ -2.17	n.a.		
OTP Global Mix	RON	10.0001	↑ 0.11	↑ 0.01	n.a.		

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