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# Daily Report – Romania

Date: 09.02.2016

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,172.77	↓ -1.05	↓ -2.11
BET-TR	7,030.76	↓ -1.05	↓ -2.11
BET-FI	27,135.35	↓ -1.67	↓ -3.26
BET-XT	566.37	↓ -1.24	↓ -2.25
EL	11.4000	→ 0.00	↓ -0.87
FP	0.7400	↓ -0.40	↓ -1.60
BRD	10.0800	↓ -1.18	↑ 0.20
TLV	2.2000	↓ -2.22	↓ -3.93
EBS	101.0000	↓ -4.27	↓ -14.41

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.43	→ 0.0	↓ -2.5
12 month	0.64	→ 0.0	↓ -7.0
3 year	1.09	↑ 0.5	↓ -9.0
5 year	1.98	↓ -0.5	↓ -10.5
10 year	3.25	↑ 3.5	↓ -13.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	11.5Y	RON 400 mn	RON 419.4 mn
Thursday	6.9Y	RON 500 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.40	↑ 2.0	↓ -1.0
3M ROBOR	0.79	→ 0.0	↓ -4.0
6M ROBOR	1.03	↓ -2.0	↓ -9.0
1Y ROBOR	1.21	↑ 1.0	↓ -9.0
5Y CDS	112.89	↓ -1.3	↓ -0.9

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4902	↑ 0.26	↓ -0.57
USD/RON	3.9753	↓ -0.66	↓ -3.89
CHF/RON	4.0895	↑ 0.60	↑ 0.71
100HUF/RON	1.4392	↓ -0.11	↓ -0.57

Sources: Reuters, OTP Research

**Summary**

- The NBR published its new inflation report yesterday.
- In December, the industrial trade turnover index was up by 4.4% YoY.
- The RON weakened against the EUR amid negative market sentiment.
- Stock markets continued to fall yesterday.

The NBR published its new inflation forecast, which foresees consumer prices to fell by 3.0% YoY at the end of Q1, as a result of another round of VAT reduction. Nonetheless, the headline inflation may end this year at 1.4%, 0.3 percentage points higher than previously thought, as price pressures could intensify in the light of fiscal easing and wage hikes. Moreover, the CPI may rise by 3.4% YoY next year, while excluding the impact of the planned VAT rate cut in 2017, it would advance by 3.7% YoY, exceeding the NBR's target of 2.5% (+/-1%).

Both the industrial trade turnover index and new orders increased in December, the NIS said this morning.

Yesterday the downbeat global trading mood continued amid persistent fears about economic slowdown and sharply declining oil prices, weighing also on the leu and its regional peers. The EUR/RON inched higher on Tuesday, but Romania's currency gained ground against the US dollar, after the EUR/USD marched near 1.13, the highest level since October.

Interbank money market rates moved in different directions yesterday, while the benchmark yield on the 10Y government bond rose 4 bps.

The disappointing German industrial data for December, which was released recently, caused further concerns among several investors, contributing to the European stock selloff on Tuesday. With bank shares falling the most, Paris' CAC40 sank 1.7%, followed by the DAX (-1.1%) and the FTSE100 (-1.0%). In Bucharest, the key indices also went down, led by the BET-FI (-1.7%), while the BET lost 1.1% as well. Among the main index's components, Banca Transilvania registered the largest drop, shrinking 2.2%. Equities' total turnover was quite healthy, reaching almost RON 64 mn, helped primarily by trades with the FP and the EL. In the USA, stock markets closed slightly lower.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
5-Feb	Friday	February	Base rate decision (%)	1.75	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%)	4.4		1.7
		December	Index value of new orders in manufacturing (YoY%)	6.1		6.7
11-Feb	Thursday	December	Turnover of market serv. provided to the population (YoY%)			15.0

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		8-Feb-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	7.9257	↓ -3.87	↓ -6.78	↓ -1.79		
OTP Obligatiuni	RON	14.3356	↑ 0.44	↑ 0.55	↑ 3.69		
OTP ComodisRO	RON	16.8961	↑ 0.13	↑ 0.17	↑ 1.57		
OTP Euro Bond	EUR	12.4308	↑ 0.12	↑ 0.23	↑ 3.09		
OTP Dollar Bond	USD	10.6088	↑ 0.34	↑ 0.38	↑ 2.64		
OTP Premium Return	RON	1059.7106	↓ -0.36	↓ -1.13	↑ 1.79		
OTP Euro Premium Return	EUR	9.6211	↓ -2.14	↓ -2.15	n.a.		
OTP Global Mix	RON	9.9880	↑ 0.06	↓ -0.11	n.a.		

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