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Daily Report – Romania

otp Research

Date: 04.03.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,556.57	-0.11	0.90
BET-TR	7,467.90	-0.11	0.90
BET-FI	27,993.59	-0.32	2.45
BET-XT	597.90	-0.10	1.04
TLV	2.4250	0.21	1.68
FP	0.7620	-0.65	2.70
SNG	26.9500	0.37	0.37
BRD	10.3000	0.19	1.98
SIF3	0.2725	0.18	1.87

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.48	0.0	1.5
12 month	0.61	0.0	-0.5
3 year	1.26	1.0	9.5
5 year	2.32	2.0	12.5
10 year	3.39	0.0	4.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	3.2Y	RON 600 mn	RON 600 mn
Monday	11.4Y	RON 300 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.42	2.0	2.0
3M ROBOR	0.77	1.0	2.0
6M ROBOR	1.03	0.0	0.0
1Y ROBOR	1.20	0.0	1.0
5Y CDS	116.50	0.0	1.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4610	-0.01	-0.13
USD/RON	4.0535	-0.46	-0.75
CHF/RON	4.0790	-0.62	-0.53
100HUF/RON	1.4451	0.34	0.86

Sources: Reuters, OTP Research

Summary

- In February, commercial banks held RON 13.4 bn on average in the NBR's deposit standing facility.
- The EUR/RON was flat on Friday, but it ended slightly lower on weekly basis.
- The Treasury aims to borrow RON 300 mn today.
- The BET closed slightly lower on Friday.

The liquidity surplus of the Romanian banking sector decreased to around RON 13.4 bn last month, down from RON 19.8 bn in January, according to the latest monthly bulletin of the National Bank of Romania. Despite February's drop, the surplus can still be considered very high in historical comparison. Abundant liquidity conditions appeared on the interbank money market, after large government spending took place at the end 2015. As the surplus could gradually ease further and the perspective of the monetary policy becomes less supportive in the light of rising inflation, money market rates may increase slightly in the remaining part of the year.

This week, several important macroeconomic data will see the light of day, such as Q4 detailed GDP statistics on Tuesday and the consumer price index for February on Friday. In addition, the European Central Bank will hold its next monetary policy meeting on 10 March, when the Governing Council may expand the monthly asset purchase programme by EUR 20 bn, while it could also lower the deposit facility rate by 10 bps to -0.4%, according to the market consensus (Reuters).

The much awaited US non-farm payroll report was released last Friday, posting a gain of 242,000 in new jobs, which beat expectations by a large margin. On the other hand, the figures showed a fall in wages and in the number of hours worked, sending the EUR/USD close to 1.1. At the same time, the RON was flat against the EUR, while its regional peers firmed versus the shared European currency.

Today the Treasury intends to sell RON 300 mn in 11.4Y bonds.

Global stock markets inched higher on Friday, also helped by increasing crude oil prices, but Bucharest's key index, the BET closed marginally lower, first of all dragged down by the shares of Nuclearelectrica (-1.8%) and Electrica (-1.0%). Nonetheless, it may be worth to note that the BET added 0.9% in weekly comparison, while the BET-FI surged 2.5%.

Date		PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
2-Mar	Wednesday	January	Producer Price Index (YoY%)	-2.0		-1.7
3-Mar	Thursday	January	Retail trade (YoY%)	15.6		15.5
		January	Tourists' overnight stays (YoY%)	15.9		16.3
4-Mar	Friday		no data			
7-Mar	Monday		no data			
8-Mar	Tuesday	Q4 2015	Detailed GDP growth rate (YoY%, provisional data 1)			3.7

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		3-Mar-16						
Investment funds	ccy	last NAV/U		1m%		Ytd%		52W%
OTP AvantisRO	RON	8.1006	↑	1.00	↓	-4.72	↓	-1.04
OTP Obligatiuni	RON	14.3293	↑	0.00	↑	0.50	↑	3.46
OTP ComodisRO	RON	16.9115	↑	0.11	↑	0.26	↑	1.56
OTP Euro Bond	EUR	12.4418	↑	0.09	↑	0.32	↑	2.99
OTP Dollar Bond	USD	10.6335	↑	0.33	↑	0.62	↑	2.79
OTP Premium Return	RON	1068.3947	↑	0.49	↓	-0.32	↓	-0.48
OTP Euro Premium Return	EUR	9.6022	↓	-1.07	↓	-2.34		n.a.
OTP Global Mix	RON	10.0218	↑	0.33	↑	0.23		n.a.

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