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Daily Report – Romania

Date: 08.03.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,673.90	↑ 0.72	↑ 2.55
BET-TR	7,601.53	↑ 0.72	↑ 2.55
BET-FI	27,872.75	↓ -0.30	↑ 0.59
BET-XT	606.85	↑ 0.63	↑ 2.36
FP	0.7560	↓ -0.53	↓ -0.79
SNP	0.2610	↑ 1.56	↑ 7.63
BRD	10.6000	↑ 2.91	↑ 4.95
TLV	2.4550	↑ 0.82	↑ 2.29
SNG	26.9000	↑ 0.19	↑ 1.13

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.48	→ 0.0	↑ 2.0
12 month	0.61	↓ -2.0	→ 0.0
3 year	1.25	↓ -2.0	↑ 7.0
5 year	2.28	↓ -3.5	↑ 6.5
10 year	3.35	↓ -3.5	→ 0.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	11.4Y	RON 300 mn	RON 316 mn
Thursday	5Y	EUR 250 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.39	→ 0.0	↓ -2.0
3M ROBOR	0.77	→ 0.0	↑ 1.0
6M ROBOR	1.03	→ 0.0	→ 0.0
1Y ROBOR	1.20	→ 0.0	↑ 1.0
5Y CDS	116.46	↓ 0.0	↑ 0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4630	↑ 0.01	↓ -0.13
USD/RON	4.0555	↑ 0.09	↓ -1.39
CHF/RON	4.0713	↑ 0.04	↓ -1.25
100HUF/RON	1.4413	↑ 0.18	↓ -0.18

Sources: Reuters, OTP Research

Summary

- Average net wages increased by 11.7% YoY in January.
- Despite the gloomy global market sentiment, the EUR/RON was traded again in a tight range, showing little variation on Tuesday.
- Today's main event will be the monetary policy meeting of the ECB, where further easing measures could be approved.
- The BET climbed 0.7% higher yesterday, while the key global benchmarks closed in the red zone.

In January, the growth rate of nominal wages' eased slightly to 11.7% YoY, after December's 13.3% YoY. At the same time, net wages advanced more than 14% YoY in real terms, similarly to December, after consumer prices fell significantly in the first month of 2016 on the back of the standard VAT rate cut and lower fuel prices.

The highly disappointing Chinese foreign trade data for February and the dipping crude oil futures left their mark on yesterday's trading on global financial markets. Nevertheless, the RON and its peers in the CEE region, such as the PLN and the HUF, remained relatively stable compared to the EUR, showing only small changes. The EUR/USD also finished roughly flat on Tuesday, as traders seemed to be more cautious to place large bets ahead of today's ECB monetary policy meeting. According to the expectations, the eurozone's central bank may expand its monthly asset purchase programme, while the Governing Council could also decide to cut the interest rate on the deposit facility.

Government securities' yields mostly eased yesterday, with higher movements at the long end.

The renewed fears about the growth perspectives of the world's second largest economy and doubts related to a potential output freeze of oil production weighed on equity markets yesterday, sending the key European benchmarks 0.8%-0.9% lower yesterday. On the other hand, the BVB brought a positive surprise, after the BET was able to outperform its Western European peers, showing a 0.7% gain. This hike was fuelled by banking shares, primary by the 2.9% advance of BRD, but OMW Petrom also posted another increase (+1.6%) yesterday, following its Monday rally (+6.0%). On the other side of the Atlantic, trading with stocks was pessimistic, pushing the main indices down by 0.6%-1.3%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
4-Mar	Friday				
7-Mar	Monday				
8-Mar	Tuesday	Q4 2015	Detailed GDP growth rate (YoY%, provisional data 1)	3.7	3.7
9-Mar	Wednesday	January	Net wage growth rate (YoY%)	11.7	13.3
10-Mar	Thursday				

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		7-Mar-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.1038	↑ 0.44	↓ -4.69	↓ -1.14		
OTP Obligatiuni	RON	14.3351	↑ 0.01	↑ 0.54	↑ 3.48		
OTP ComodisRO	RON	16.9143	↑ 0.12	↑ 0.28	↑ 1.56		
OTP Euro Bond	EUR	12.4447	↑ 0.12	↑ 0.34	↑ 2.99		
OTP Dollar Bond	USD	10.6353	↑ 0.29	↑ 0.63	↑ 2.81		
OTP Premium Return	RON	1068.6915	↑ 0.43	↓ -0.29	↓ -0.63		
OTP Euro Premium Return	EUR	9.6078	↓ -0.12	↓ -2.29	n.a.		
OTP Global Mix	RON	10.0260	↑ 0.26	↑ 0.27	n.a.		

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