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Daily Report – Romania

Date: 18.03.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,826.40	↑ 1.06	↑ 3.32
BET-TR	7,775.23	↑ 1.06	↑ 3.32
BET-FI	28,726.68	↑ 0.88	↑ 2.21
BET-XT	618.92	↑ 0.85	↑ 2.57
TLV	2.7450	↑ 3.98	↑ 12.96
FP	0.7780	↑ 1.57	↑ 4.43
SNP	10.3800	↓ -1.14	↓ -1.89
SNG	1.5560	↑ 0.65	↑ 0.13
BRD	27.0000	↑ 0.56	↑ 0.56

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.47	↑ 0.5	→ 0.0
12 month	0.60	→ 0.0	↓ -0.5
3 year	1.17	↓ -0.5	↓ -8.0
5 year	2.22	↑ 1.0	↓ -4.0
10 year	3.28	↑ 1.0	↓ -3.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	3.9Y	RON 600 mn	RON 600 mn
Monday	1Y	RON 1000 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.40	↓ -1.0	↑ 1.0
3M ROBOR	0.79	→ 0.0	↑ 2.0
6M ROBOR	1.04	↓ -1.0	↑ 1.0
1Y ROBOR	1.21	→ 0.0	↑ 1.0
5Y CDS	112.02	→ 0.0	↓ -2.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4725	↓ -0.07	↑ 0.12
USD/RON	3.9694	↑ 0.36	↓ -0.91
CHF/RON	4.0963	↑ 0.24	↑ 0.49
100HUF/RON	1.4428	↑ 0.14	↑ 0.09

Sources: Reuters, OTP Research

Summary

- On Friday, the EUR/RON edged down a bit, but in weekly comparison the pair ended slightly higher.
- The MoF plans to sell RON 1 bn debt today.
- The BET rose by 1.1% on Friday.

After the sharp movements showed in the previous days, global financial markets finished a more quiet session on Friday. While the EUR/USD continued to march higher on Thursday, still fuelled by the Fed's lower expectations about the future path of the benchmark rates, on Friday the euro weakened somewhat, pushing the pair back below 1.13. This modest depreciation of the EUR was bolstered by a statement of ECB Chief Economist Peter Praet, who noted in a press interview that interest rates in the eurozone can still go lower. On Friday, the euro also lost ground slightly against the CEE region's currencies, including Romania's leu. Nevertheless, the EUR/RON climbed marginally higher on weekly basis.

Today the Ministry of Finance aims to borrow RON 1 bn through T-bills due in March 2017. On Friday, government securities' yield curve changed little, but yields eased 1-8 bps in weekly comparison with the exception of the 6M maturity, where the yield was flat at 0.47%. The ROBOR interest rates recorded limited variations last week.

In Bucharest, the key equity index, the BET outperformed its Western European rivals, pointing to a 1.1% gain on Friday. Banca Transilvania fared very well (+4.0%), continuing its Thursday's rally, which was triggered by news about the company's plan to pay record high dividends to its shareholders. In weekly comparison, the stocks of Banca Transilvania surged almost 13%. Among the BET's components, the second best performance was recorded by the FP (+1.6%), while Electrica also added 1.3% on Friday. On the other hand, the shares of OMW Petrom shed 1.2%. Equities' total turnover reached RON 42.4 mn, well above this year's average of RON 27.0 mn.

The main European benchmarks ended in the green zone, with the DAX and the CAC40 advancing 0.6% and 0.4% respectively, also helped by the supportive message of the ECB. Nonetheless, London's FTSE100 closed mildly lower (-0.2%). On the other side of the Atlantic, US stocks rose on the last day of the week, with the Dow and the S&P500 ending at their highest this year.

This week's macroeconomic calendar is relatively scarce. On Wednesday, the NBR will publish fresh statistics about the evolution of non-government loans and deposits in February. On the same day, the ACEA will reveal new commercial vehicle registration figures.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
16-Mar	Wednesday	February	New passenger car registrations (YoY%)	23.9	16.5
17-Mar	Thursday		no data		
18-Mar	Friday		no data		
21-Mar	Monday		no data		
22-Mar	Tuesday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		17-Mar-16					
Investment funds	ccy	last NAV/U		1m%	Ytd%		52W%
OTP AvantisRO	RON	8.1851	↑	3.75	↓	-3.73	↑ 2.04
OTP Obligatiuni	RON	14.3616	↑	0.21	↑	0.73	↑ 3.57
OTP ComodisRO	RON	16.9218	↑	0.12	↑	0.32	↑ 1.56
OTP Euro Bond	EUR	12.4659	↑	0.30	↑	0.51	↑ 3.12
OTP Dollar Bond	USD	10.6521	↑	0.32	↑	0.79	↑ 2.93
OTP Premium Return	RON	1071.1604	↑	1.10	↓	-0.06	↓ -0.09
OTP Euro Premium Return	EUR	9.6017	↑	0.72	↓	-2.35	n.a.
OTP Global Mix	RON	10.0514	↑	0.61	↑	0.52	n.a.

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