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Daily Report – Romania

Date: 21.03.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,790.40	↓ -0.53	↑ 2.13
BET-TR	7,734.23	↓ -0.53	↑ 2.13
BET-FI	28,411.55	↓ -1.10	↑ 0.09
BET-XT	615.31	↓ -0.58	↑ 1.41
TLV	10.3000	↓ -0.77	↓ -1.90
FP	2.6950	↓ -1.82	↑ 10.00
SNP	0.7740	↓ -0.51	↑ 1.84
SNG	26.9000	↓ -0.37	→ 0.00
BRD	12.5000	→ 0.00	↑ 0.97

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	1.18	→ 0.0	↓ -1.5
5 year	2.22	→ 0.0	↓ -3.0
10 year	3.28	→ 0.0	↓ -3.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	1Y	RON 1000 mn	RON 1000 mn
Thursday	8.9Y	RON 300 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.39	↓ -1.0	→ 0.0
3M ROBOR	0.79	→ 0.0	↑ 1.0
6M ROBOR	1.05	↑ 1.0	↑ 2.0
1Y ROBOR	1.21	→ 0.0	↑ 1.0
5Y CDS	114.24	↑ 2.2	↓ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4688	↓ -0.08	↑ 0.04
USD/RON	3.9754	↑ 0.15	↓ -1.18
CHF/RON	4.0996	↑ 0.08	↑ 0.60
100HUF/RON	1.4379	↓ -0.34	↓ -0.23

Sources: Reuters, OTP Research

Summary

- The EUR/RON was traded in a narrow range on the first day of the week.
- Interbank lending rates showed limited movements in different directions on Monday.
- Yesterday the MoF sold RON 1 bn debt at 0.68% average yield.
- Romanian stocks mostly dropped yesterday, sending the BET 0.5% lower.

With a relatively thin economic calendar on both the domestic and the external front, Monday's session was quite calm on the market of the EUR/RON. The pair was traded in a tight range, ending the first day of the week below 4.47. At the same time, while the EUR/PLN inched down slightly, the HUF weakened against the common European currency. Simultaneously, the EUR/USD continued to ease to around 1.124, but it is still 1.2% higher than a week earlier.

Yesterday, the ROBOR rates made subtle moves in mixed directions. The interest rate on the 1M maturity eased by 2 bps to 0.54%, showing the largest downward change, while the ROBOR 9M increased to 1.15%, from 1.13%. At the same time, the ROBOR 3M, probably the most relevant benchmark for private loans with variable interest rate, was flat at 0.79%.

Amid healthy demand, the Ministry of Finance sold the announced amount of RON 1,000 mn yesterday. Nine primary dealers participated on the auction, subscribing for around RON 2,339 mn, which raised the bid-to-cover ratio to over 2.3. The average accepted yield stood at 0.68%, somewhat higher than at the previous 1Y T-bill auction at the beginning of February, when it was at 0.61%. The NBR's benchmark fixing pointed to almost unchanged yields: only the short end of the yield curve moved a touch lower.

European stocks fluctuated between modest gains and losses yesterday, ending the session mostly lower. The CAC40 shrank 0.8% and the FTSE100 also gave up 0.1%, while Germany's DAX was practically flat. In Bucharest, the main indices closed 0.5%-1.1% lower, with the exception of the BET's energy and related utilities index, the BET-NG which finished a bit higher (+0.1%), helped by the shares of OMW Petrom (+0.8%). Meanwhile, the BET slipped 0.5%, pulled down primary by Banca Transilvania (-1.8%) and the BRD (-0.8%). The stocks of Banca Transilvania rallied in recent days on news about unexpectedly high dividends to be paid out by the company, but the outlook of banking shares is clouded by the draft law on debt discharge. In the USA, the evolution of equity markets signalled slight optimism, with the benchmarks climbing 0.1%-0.3% higher.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
17-Mar	Thursday		no data		
18-Mar	Friday		no data		
21-Mar	Monday		no data		
22-Mar	Tuesday		no data		
23-Mar	Wednesday	February	M3 (broad money, YoY%)		9.5
		February	Non-government loans (YoY%)		2.8
		February	Non-government deposits (YoY%)		8.8
		February	New commercial vehicle registrations (YoY%)		33.9

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		18-Mar-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.2391	↑ 4.62	↓ -3.10	↑ 3.39		
OTP Obligatiuni	RON	14.3641	↑ 0.23	↑ 0.75	↑ 3.58		
OTP ComodisRO	RON	16.9224	↑ 0.12	↑ 0.33	↑ 1.56		
OTP Euro Bond	EUR	12.4687	↑ 0.32	↑ 0.53	↑ 3.14		
OTP Dollar Bond	USD	10.6561	↑ 0.35	↑ 0.83	↑ 2.96		
OTP Premium Return	RON	1072.1263	↑ 1.07	↑ 0.03	↓ -0.01		
OTP Euro Premium Return	EUR	9.6224	↑ 0.68	↓ -2.14	n.a.		
OTP Global Mix	RON	10.0647	↑ 0.79	↑ 0.66	n.a.		

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