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Daily Report – Romania

Date: 31.03.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,737.73	↑ 0.33	↓ -0.05
BET-TR	7,674.24	↑ 0.33	↓ -0.05
BET-FI	28,104.67	↑ 0.52	↓ -0.41
BET-XT	611.30	↑ 0.49	↑ 0.12
BRD	10.4800	↑ 1.55	↑ 1.35
FP	0.7710	↓ -0.26	↓ -0.52
TLV	2.6900	↓ -0.37	↑ 0.75
SNG	26.9500	↑ 1.13	↓ -0.74
SNP	0.2400	↑ 0.42	↓ -0.83

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.45	→ 0.0	↓ -1.5
12 month	0.59	→ 0.0	↓ -3.0
3 year	1.16	↓ -1.0	↓ -2.5
5 year	2.56	→ 0.0	↑ 1.5
10 year	3.30	→ 0.0	↑ 1.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	8.9Y	RON 300 mn	RON 300 mn
Monday	5Y	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.44	↑ 2.0	↑ 3.0
3M ROBOR	0.78	→ 0.0	↓ -1.0
6M ROBOR	1.04	↑ 1.0	↑ 1.0
1Y ROBOR	1.19	→ 0.0	↓ -1.0
5Y CDS	106.60	↓ -5.9	↓ -6.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4710	↑ 0.10	↑ 0.15
USD/RON	3.9307	↓ -0.22	↓ -1.62
CHF/RON	4.0834	↓ -0.01	↓ -0.24
100HUF/RON	1.4249	↑ 0.39	↑ 0.19

Sources: Reuters, OTP Research

Summary

- The key rate was left unchanged on the yesterday's Board meeting of the NBR; the corridor of interest rates could be narrowed, according to the guideline of Mr Isarescu.
- February's unemployment rate stood at 6.5%.
- Tourist's overnight stays surged by 16.9% YoY in February.
- Contrary to its CEE region's rivals, the RON weakened somewhat against the EUR.
- The BET increased 0.3%, driven by the shares of the BRD.

The National Bank of Romania remained on hold, keeping the main monetary policy instruments unchanged on its Thursday's Board meeting. Accordingly, the key rate was left at 1.75%, as it was expected. The decision had no significant impact on financial markets yesterday. On his press conference, NBR Chief Mr Isarescu confirmed that the central bank might narrow the symmetrical corridor of interest rates on the standing facilities around the policy rate.

In February, Romania's unemployment rate remained flat at 6.5%, the National Institute of Statistics said this morning. A year earlier, it stood at 6.8%.

The NIS also revealed that the number of tourist's overnight stays grew by 16.9% YoY in February, accelerating from January's 15.9% YoY gain.

Today, the NBR releases its FX reserve statistics for March.

Despite the strengthening trends, seen in the CEE region, the EUR/RON inched a bit higher yesterday, after discussions about the new debt discharge law in Romania's Parliament. At the same time, the leu appreciated compared to the US dollar, as the EUR/USD climbed toward 1.14 on Thursday.

Trading on European equity markets was pessimistic, sending the key benchmarks into the red zone. Nonetheless, Romanian stocks mostly closed up, with the BET adding 0.3%. The shares of the BRD recorded the largest gains, after they increased by 1.6%, while the TLV (-0.4%) was the weakest link among the BET's components. In the USA, the main indices changed little: the S&P500 eased 0.2% on Thursday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
29-Mar	Tuesday	no data				
30-Mar	Wednesday	February	Licenses for residential buildings (YoY%)	11.6	-14.6	
		March	Economic Sentiment Indicator	102.8	102.4	
		March	Consumer Confidence Indicator	-20.2	-20.3	
31-Mar	Thursday	April	Base rate decision (%)	1.75	1.75	1.75
1-Apr	Friday	February	ILO unemployment rate (% , seasonally adjusted)	6.5	6.5	
		February	Tourists' overnight stays (YoY%)	16.9	15.9	
		March	FX Reserves, EUR bn		30.8	
4-Apr	Monday	February	Producer Price Index (YoY%)		-2.0	

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		30-Mar-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.1860	↑ 2.73	↓ -3.72	↑ 2.16		
OTP Obligatiuni	RON	14.3767	↑ 0.31	↑ 0.84	↑ 3.59		
OTP ComodisRO	RON	16.9309	↑ 0.13	↑ 0.38	↑ 1.56		
OTP Euro Bond	EUR	12.4788	↑ 0.35	↑ 0.61	↑ 3.17		
OTP Dollar Bond	USD	10.6698	↑ 0.36	↑ 0.96	↑ 3.01		
OTP Premium Return	RON	1074.4023	↑ 0.90	↑ 0.24	↓ -0.28		
OTP Euro Premium Return	EUR	9.6178	↑ 0.40	↓ -2.19	n.a.		
OTP Global Mix	RON	10.0522	↑ 0.27	↑ 0.53	n.a.		

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