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Daily Report – Romania

Date: 12.04.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,707.98	↓ -0.06	↑ 0.43
BET-TR	7,640.36	↓ -0.06	↑ 0.43
BET-FI	27,833.08	↓ -0.26	↓ -0.28
BET-XT	607.79	↓ -0.09	↑ 0.34
SNP	0.2360	↑ 0.43	↑ 0.85
FP	0.7610	↑ 0.13	↓ -0.13
TLV	2.7250	↓ -0.91	↓ -0.18
SNG	26.8000	↑ 0.19	↑ 1.52
BRD	9.9300	↓ -0.50	↓ -2.65

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.45	→ 0.0	↑ 0.5
12 month	0.59	↑ 0.5	↑ 1.0
3 year	1.12	↓ -1.0	↓ -2.5
5 year	2.53	↓ -1.0	↓ -1.0
10 year	3.32	↑ 0.5	↑ 3.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.9Y	RON 600 mn	RON 600 mn
Thursday	6.7Y	RON 500 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.43	↑ 1.0	↑ 1.0
3M ROBOR	0.78	↑ 2.0	↑ 1.0
6M ROBOR	1.02	→ 0.0	→ 0.0
1Y ROBOR	1.19	↑ 2.0	→ 0.0
5Y CDS	107.94	↓ -0.4	↑ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4703	↑ 0.06	↑ 0.06
USD/RON	3.9243	↑ 0.26	↑ 0.07
CHF/RON	4.1103	↑ 0.16	↑ 0.10
100HUF/RON	1.4355	↑ 0.23	↑ 0.72

Sources: Reuters, OTP Research

Summary

- Market services provided to the population surged 20.0% YoY in February.
- The IMF raised its GDP forecast for Romania from 3.9%, up to 4.2% for 2016.
- The EUR/RON ended the day at 4.47.
- On Tuesday, the BET eased a bit, posting a 0.1% loss.

The turnover index of market services provided to the population rose rapidly in February, adding 20.0% YoY, according to a report of the NIS, published this morning. In month-over-month comparison, the turnover index inched up 3.8% (seasonally and working day adjusted data), providing another sign about the strength of households' demand in the beginning of the year.

The IMF revised downward its global growth projection for 2016 to 3.2%, from 3.4%, and its 2017 forecast was slightly trimmed by 0.1% to 3.5%. The groups of advanced as well as emerging market and developing economies may increase slower than previously thought in this year and next. The euro area could post a 1.5% gain in 2016 and a 1.6% advance in 2017, simultaneously the US economy will grow by 2.4% and 2.5%, according to the IMF's estimations. On the other hand, China's growth may decelerate further, to 6.5% this year and to 6.2% in 2017. The good news is that these projections regarding the second largest economy of the world were revised slightly upward. Nonetheless, the specialists of the IMF also warned that the global recovery remains too slow and fragile.

In relation to Romania, the report notes that the country's economy could get further momentum in 2016, pointing to a 4.2% advance, while next year it should slow somewhat to 3.6%. At the same time, the growth rate of consumer prices might go up from this year's estimated -0.4% to 3.1% on average in 2017, while the current account deficit is set to widen to 1.7% in 2016 and to 2.5% next year.

Later today, February's current account statistics will see the light of day.

The EUR/RON was traded slightly higher on Tuesday, ending the day in the vicinity of 4.47. Simultaneously, the RON lost ground against the US dollar, after the EUR/USD slipped lower.

After rumours about a potential agreement on stabilizing oil production, crude prices rallied yesterday, helping US stock markets to edge up too. European stocks also climbed higher, but the key BVB's indices showed limited movements.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
8-Apr	Friday	Q4 2015	Detailed GDP growth rate (YoY%, provisional data 2)	3.8		3.7
11-Apr	Monday	March	Consumer price index (YoY%)	-3.0	-3.0	-2.7
		February	Exports (FOB, YoY%)	9.5		-1.6
		February	Imports (CIF, YoY%)	13.4		3.1
12-Apr	Tuesday	February	Industrial production (YoY%)	0.8		-1.8
		February	Industrial trade turnover index (YoY%)	6.6		-1.7
		February	Index value of new orders in manufacturing (YoY%)	8.7		-3.7
13-Apr	Wednesday	February	Turnover of market serv. provided to the population (YoY%)	20.0		15.8
		February	CA balance (EUR mn, YTD)			168

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		11-Apr-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.2068	↑ 0.86	↓ -3.48	↑ 0.24		
OTP Obligatiuni	RON	14.3959	↑ 0.35	↑ 0.97	↑ 3.63		
OTP ComodisRO	RON	16.9376	↑ 0.12	↑ 0.42	↑ 1.54		
OTP Euro Bond	EUR	12.4939	↑ 0.32	↑ 0.74	↑ 3.24		
OTP Dollar Bond	USD	10.6828	↑ 0.41	↑ 1.08	↑ 3.09		
OTP Premium Return	RON	1076.3133	↑ 0.69	↑ 0.42	↓ -0.91		
OTP Euro Premium Return	EUR	9.6406	↑ 0.36	↓ -1.95	n.a.		
OTP Global Mix	RON	10.0912	↑ 0.52	↑ 0.92	n.a.		

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