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Daily Report – Romania

Date: 04.05.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,430.08	↑ 0.38	↓ -2.27
BET-TR	7,349.23	↑ 0.38	↓ -1.93
BET-FI	26,099.88	↓ -0.76	↓ -3.20
BET-XT	578.15	↑ 0.16	↓ -2.62
TLV	2.6900	↑ 1.51	↑ 0.75
FP	0.7380	↓ -0.67	↓ -2.38
SNG	23.1500	↑ 1.76	↓ -6.65
EL	12.2200	→ 0.00	↓ -0.49
SNP	0.2280	→ 0.00	↓ -2.56

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.47	→ 0.0	↑ 1.0
12 month	0.59	↑ 0.5	↑ 1.0
3 year	1.84	↑ 0.5	↑ 1.0
5 year	2.67	↓ -1.0	↑ 2.5
10 year	3.59	↓ -1.5	→ 0.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	1.0Y	RON 1000 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.49	↓ -2.0	↓ -1.0
3M ROBOR	0.76	→ 0.0	↓ -1.0
6M ROBOR	1.01	→ 0.0	↓ -1.0
1Y ROBOR	1.16	→ 0.0	↓ -1.0
5Y CDS	106.07	↑ 0.0	↑ 0.4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5045	↑ 0.33	↑ 0.93
USD/RON	3.9208	↑ 0.33	↓ -0.52
CHF/RON	4.0956	↑ 0.04	↑ 0.91
100HUF/RON	1.4381	↓ -0.05	↑ 0.36

Sources: Reuters, OTP Research

Summary

- The NBR holds its rate-setting meeting today; no change is expected.
- The growth rate of tourists' overnight stays decelerated in March.
- Yesterday the RON weakened further against the EUR, reaching 4.50.
- Today the MoF plans to sell RON 1 bn via 1Y government securities.
- Despite the negative global market sentiment, the BET added 0.4% on Wednesday.

Today's main event will be the Board meeting of the National Bank of Romania. In line with the market consensus, we expect that the central bank will leave its benchmark rates unchanged. Nevertheless, it may give some hints about the timing of the narrower interest rate corridor. Currently, we deem that this narrowing could take place in the second half of 2016 (for further details, please see our April's [MPC](#) report). In today's rate-setting meeting, the new Inflation Report will be discussed as well. Nonetheless, the details of the report should be presented to the public by Mr Isarescu only a few days later. The NBR's view regarding the inflation perspectives may give additional insights about the timeline of the planned policy measures. We recall that the inflation dynamics are still relatively subdued, even after the elimination of the impacts coming from the VAT changes. On the other hand, the double-digit growth of average wages could put prices on a clearly increasing trend sooner or later.

In March, the number of tourists' overnight stays increased by 6.8% YoY, showing a slowdown from February's 16.9% YoY, according to the NIS' press release published this morning.

The negative mood continued to weigh on trading, keeping the CEE region's currencies on a weakening path on Wednesday too. Accordingly, the EUR/RON reached its highest level since the beginning of February, ending at around 4.50. Compared to the USD, Romania's leu lost ground as well.

The Ministry of Finance aims to sell RON 1 bn in 1Y bills today.

European stocks and the key US equity indices ended lower yesterday, extending their Tuesday's losses on weak economic data and mixed corporate earnings updates. On the other hand, the BET advanced by 0.4% in Bucharest, sustained by the shares of Romgaz (+1.8%) and Banca Transilvania (+1.5%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
29-Apr	Friday	March	ILO unemployment rate (% , seasonally adjusted)	6.4		6.5
3-May	Tuesday	March	Producer Price Index (YoY%)	-3.4		-3.3
		April	FX Reserves, EUR bn	31.5		31.3
4-May	Wednesday	March	Retail trade (YoY%)	19.3		21.8
5-May	Thursday	March	Tourists' overnight stays (YoY%)	6.8		16.9
		May	Base rate decision (%)		1.75	1.75
6-May	Friday		no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		3-May-16				
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%	
OTP AvantisRO	RON	7.9078	↓ -3.43	↓ -6.99	↓ -5.56	
OTP Obligatiuni	RON	14.4068	↑ 0.18	↑ 1.05	↑ 3.58	
OTP ComodisRO	RON	16.9516	↑ 0.12	↑ 0.50	↑ 1.54	
OTP Euro Bond	EUR	12.4980	↑ 0.13	↑ 0.77	↑ 3.21	
OTP Dollar Bond	USD	10.7043	↑ 0.30	↑ 1.29	↑ 3.24	
OTP Premium Return	RON	1065.2287	↓ -0.83	↓ -0.61	↓ -1.75	
OTP Euro Premium Return	EUR	9.6183	↑ 0.10	↓ -2.18	n.a.	
OTP Global Mix	RON	9.9807	↓ -0.66	↓ -0.19	n.a.	

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