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Daily Report – Romania

Date: 06.05.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,442.93	↓ -0.49	↓ -1.55
BET-TR	7,364.48	↓ -0.48	↓ -1.20
BET-FI	25,927.43	↓ -0.88	↓ -2.94
BET-XT	579.41	↓ -0.42	↓ -1.70
TLV	2.7200	⇒ 0.00	↑ 0.55
TGN	268.0000	↓ -0.37	↓ -1.83
SNG	23.4500	⇒ 0.00	↓ -1.05
EL	12.2000	↓ -0.33	↓ -0.81
FP	0.7200	↓ -2.31	↓ -3.61

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.47	↓ -0.5	↑ 1.0
12 month	0.62	↑ 1.0	↑ 3.0
3 year	1.84	⇒ 0.0	↓ -0.5
5 year	2.67	↓ -0.5	↓ -0.5
10 year	3.60	⇒ 0.0	↓ -4.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	1.0Y	RON 1000 mn	RON 960.7 mn
Monday	3.8Y	RON 500 mn	

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.47	↑ 1.0	↓ -7.0
3M ROBOR	0.76	⇒ 0.0	⇒ 0.0
6M ROBOR	1.02	↑ 1.0	↑ 1.0
1Y ROBOR	1.18	↑ 1.0	↑ 2.0
5Y CDS	106.06	↓ 0.0	↓ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4920	↓ -0.26	↑ 0.27
USD/RON	3.9419	↓ -0.17	↑ 0.78
CHF/RON	4.0507	↓ -0.74	↓ -0.67
100HUF/RON	1.4298	↓ -0.73	↓ -0.41

Sources: Reuters, OTP Research

Summary

- Net wages increased by 12.1% YoY in March.
- The EUR/RON ended last week higher.
- The NBR's data confirms that abundant liquidity conditions persist on the money market.
- On Friday, the BET lost 0.5%.

Numerous important macroeconomic data will be published this week. Among others, April's inflation statistics are to be released on Thursday. We recall that the growth rate of consumer prices hit a new record low in March at -3.0% YoY (for further details, see our latest report on [inflation](#)). Moreover, the flash estimate of Q1 GDP will see the light of day on Friday. The early indicators suggest that households' consumption expenditures most likely remained very strong in the first three months of the year, also helped by January's VAT reduction. On the other hand, industrial production showed quite weak performance in the period of January-February, causing downside risks to the bright growth expectations for Q1.

In March, average net wages grew by 12.1% YoY, the NIS said this morning. The highest growth rate was registered in the case of computer programmers (+32.1% YoY).

Tomorrow the NIS's foreign trade report for March is set to be published, while NBR governor Isarescu will present the new Inflation Report of the central bank's staff via a press conference too. Last weeks' commentary of the NBR after the monetary policy meeting indicated that the CB's inflation projection was revised downside. The updated forecasts and the press conference may give hints about the NBR's intentions regarding the expected policy normalisation (for more details, please see our [MPC](#) report).

On Friday, the RON was able to recuperate some of its previous losses compared to the EUR, but the pair still finished last week around 0.3% higher, slightly above 4.49. Simultaneously, the other currencies of the CEE region were under selling pressure on the last trading day of the week too, while the EUR/USD ended flat on a choppy session, after the US non-farm payroll data missed expectations, pointing to a 160,000 gain in new jobs.

In April, commercial banks held around RON 7.5 bn on average in the NBR's deposit facility, the central bank's monthly bulletin revealed on Friday. This is somewhat lower than a month earlier (RON 11.6 bn), but is quite high in a historical comparison and accordingly points to abundant liquidity conditions.

The BET ended Friday's trading in the negative territory, slipping 0.5%, after the shares of Fondul Proprietatea and the BVB fell 2.3% and 1.2% respectively. In Europe, the key equity indices finished mixed, while US stocks mostly ended with modest gains.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
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		
9-May	Monday	March	Net wage growth rate (YoY%)	12.1	12.70
10-May	Tuesday	March	Exports (FOB, YoY%)		9.5
11-May	Wednesday	March	Imports (CIF, YoY%)		13.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		5-May-16				
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%	
OTP AvantisRO	RON	7.9000	↓ -3.33	↓ -7.08	↓ -6.04	
OTP Obligatiuni	RON	14.4085	↑ 0.15	↑ 1.06	↑ 3.56	
OTP ComodisRO	RON	16.9529	↑ 0.11	↑ 0.51	↑ 1.53	
OTP Euro Bond	EUR	12.4992	↑ 0.11	↑ 0.78	↑ 3.23	
OTP Dollar Bond	USD	10.7038	↑ 0.25	↑ 1.28	↑ 3.17	
OTP Premium Return	RON	1066.0253	↓ -0.69	↓ -0.54	↓ -1.77	
OTP Euro Premium Return	EUR	9.6266	↑ 0.05	↓ -2.10	n.a.	
OTP Global Mix	RON	10.0067	↓ -0.43	↑ 0.08	n.a.	

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