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Daily Report – Romania

Date: 12.05.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,449.49	↓ -0.15	↓ -0.38
BET-TR	7,372.31	↓ -0.15	↓ -0.38
BET-FI	25,639.35	↓ -0.04	↓ -1.98
BET-XT	578.47	↓ -0.11	↓ -0.59
TLV	2.7350	↓ -0.18	↑ 0.55
FP	0.7220	↓ -0.14	↓ -2.04
SNG	23.1500	↓ -0.22	↓ -1.28
TGN	271.0000	↑ 0.37	↑ 0.74
TEL	29.3500	↓ -0.51	↓ -0.51

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.46	→ 0.0	↓ -1.5
12 month	0.63	↓ -2.0	↑ 1.5
3 year	1.82	↓ -2.0	↓ -2.0
5 year	2.65	↓ -1.0	↓ -3.0
10 year	3.56	↓ -1.0	↓ -4.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.8Y	RON 500 mn	RON 520.4 mn
Thursday	8.8Y	RON 300 mn	RON 328 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.45	↑ 1.0	↓ -1.0
3M ROBOR	0.76	→ 0.0	→ 0.0
6M ROBOR	1.03	→ 0.0	↑ 2.0
1Y ROBOR	1.18	→ 0.0	↑ 1.0
5Y CDS	106.07	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4970	↑ 0.08	↓ -0.15
USD/RON	3.9527	↑ 0.55	↑ 0.11
CHF/RON	4.0733	↑ 0.60	↓ -0.19
100HUF/RON	1.4266	↑ 0.30	↓ -0.94

Sources: Reuters, NBR, OTP Research

Summary

- Romania's economy grew strongly in Q1 2016 (4.3% YoY/1.6% QoQ).
- The EUR/RON finished a bit higher.
- The Treasury borrowed slightly more than planned yesterday.
- Government securities' yield curve shifted mildly lower.
- On Thursday, the BET slipped 0.2%.

Romania's economic growth accelerated in Q1 2016, showing a 4.3% increase on annual basis (gross data), while in QoQ comparison it advanced by 1.6% (seasonally and working day adjusted data), the NIS revealed this morning. Recent statistics point to a better-than-expected evolution, as Reuters' consensus stood at 3.8% YoY, after high-frequency indicators showed some weaknesses in the sectors of construction and industry. On the demand side, most likely households' consumption fuelled the strong dynamics, while net exports probably continued to be a drag on growth. The detailed Q1 statistics will be published on 7 June. For the entire year of 2016, we expect 4.2% GDP advance, helped by the aggressive fiscal easing measures.

On the back of April's inflation data, the EUR/RON ended somewhat higher amid yesterday's wavering trading sentiment on global financial markets. The leu depreciated even more compared to the US dollar.

Primary dealers submitted offers in value of RON 624.5 mn at yesterday's 8.8Y government bond auction, lifting the bid-to-cover ratio to around 2x. Benefiting from the healthy demand, debt managers sold slightly more than planned in government securities (RON 328 mn vs. RON 300 mn), while the average yield stood at 3.58%, 20 bps higher than at the previous transaction with the same ISIN at the beginning of April.

With the exception of the 6M maturity, which ended flat, the benchmark government securities' yields eased 1-2 basis points yesterday.

Stock markets finished a choppy session on Thursday, with the key European equity indices registering losses between 0.5% and 1.1%. Tracking the main trends, Romania's BET index also eased 0.2%, after seven out of its ten component ended the day in negative territory. The best performance was achieved by Nuclearelectrica, pointing to a 0.6% march. The sentiment was rather unfavourable on the other side of the Atlantic as well, with the S&P500 closing roughly flat.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
11-May	Wednesday	March	Industrial trade turnover index (YoY%)	3.0		6.7
			Index value of new orders in manufacturing (YoY%)	6.6		8.9
12-May	Thursday	April	Consumer price index (YoY%)	-3.3	-2.9	-3.0
		March	Industrial production (YoY%)	2.9		0.5
13-May	Friday	March	Construction works (YoY%)	-0.3		4.8
		Q1 2016	Flash GDP growth rate (YoY%)	4.3	3.8	3.8
		March	Turnover of market serv. provided to the population (YoY%)	16.3		10.9
		March	CA balance (EUR mn, YTD)			-337

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		11-May-16				
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%	
OTP AvantisRO	RON	7.8628	↓ -4.19	↓ -7.52	↓ -6.47	
OTP Obligatiuni	RON	14.4162	↑ 0.14	↑ 1.11	↑ 3.45	
OTP ComodisRO	RON	16.9633	↑ 0.15	↑ 0.57	↑ 1.57	
OTP Euro Bond	EUR	12.5032	↑ 0.07	↑ 0.81	↑ 3.25	
OTP Dollar Bond	USD	10.7136	↑ 0.29	↑ 1.38	↑ 3.20	
OTP Premium Return	RON	1064.2565	↓ -1.12	↓ -0.70	↓ -1.99	
OTP Euro Premium Return	EUR	9.6403	↓ 0.00	↓ -1.96	n.a.	
OTP Global Mix	RON	9.9961	↓ -0.94	↓ -0.03	n.a.	

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