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# Daily Report – Romania

Date: 25.05.2016 (ROBOR data as of 26.05.2016)

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,409.39	↑ 0.06	↓ -0.41
BET-TR	7,326.75	↑ 0.05	↓ -0.42
BET-FI	25,200.17	↓ -0.82	↓ -1.01
BET-XT	572.80	↓ -0.06	↓ -0.44
FP	0.7280	↓ -0.27	↓ -1.89
TLV	2.7700	↑ 0.36	↑ 0.73
SNG	22.3500	↓ -0.45	↑ 1.13
EL	12.1000	↓ -0.17	↑ 0.50
SIF1	1.3800	↓ -1.15	↓ -1.43

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.48	↑ 0.5	↑ 1.0
12 month	0.64	↓ -0.5	↑ 1.0
3 year	1.80	↑ 1.0	↑ 6.0
5 year	2.65	↓ -1.0	↑ 4.0
10 year	3.58	→ 0.0	↑ 6.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	4.8Y	RON 400 mn	RON 400 mn
Thursday	2.9Y	RON 300 mn	

**MONEY MARKET**

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.44	↓ -3.0	↑ 3.0
3M ROBOR	0.73	↓ -2.0	↓ -2.0
6M ROBOR	1.00	↓ -2.0	↓ -1.0
1Y ROBOR	1.15	↓ -2.0	↓ -2.0
5Y CDS	103.84	↓ 0.0	↓ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5029	↓ -0.12	↓ -0.19
USD/RON	4.0366	↓ -0.25	↑ 0.70
CHF/RON	4.0721	↓ -0.03	↑ 0.18
100HUF/RON	1.4331	↑ 0.22	↑ 0.92

Sources: Reuters, NBR, OTP Research

**Summary**

- Romania's budget surplus almost fully evaporated in April.
- Non-government loans stood in positive territory, pointing to a 3% YoY increase last month.
- In line with its regional rivals, the RON strengthened against the EUR yesterday.
- The BET underperformed its Western-European peers on Wednesday.

Romania's budget balance recorded RON 0.1 bn (0.0% of GDP, cash basis) surplus in the period of January-April, significantly less than in the same period of the previous year (RON 6 bn or 0.8% of GDP). Revenues fell by 2.8% YoY to RON 73.9 bn on the back of tax reductions and lower inflows from EU funds, while expenses rose by 5.3% YoY, reaching RON 73.8 bn.

Non-government loans continued to increase in April, the NBR said today. Similarly to the previous months, the positive trend was maintained by growing stock of RON-denominated loans (+21.1% YoY), which was partially offset by FX credits. At the same time, private deposits advanced as well (+10.1% YoY).

After Tuesday's rebound, optimism continued to rule global financial markets yesterday. In Europe, investors rejoiced over the deal reached between Greece and its international creditors, which is set to unlock additional financial aid to the Hellenic Republic in value of EUR 10.3 bn. The first slice of the loan, around EUR 7.5 bn will arrive in the second half of next month, before large redemptions come due to the IMF and the ECB in July. Moreover, crude oil futures also rallied yesterday, hitting their highest level since October, close to USD 50/barrel, after the EIA (US Energy Information Administration) revealed that US crude supply decreased. The CEE region's currencies benefited from the positive mood, firming against the EUR. The RON was not an exception, as it also strengthened around 0.1% compared to the common European currency, and it gained even more ground against the USD (almost 0.3%), as the EUR/USD inched slightly higher.

On Wednesday, European equities performed well for the second consecutive day, while US stocks also inched higher. Nonetheless, Bucharest's BET was left behind, finishing the day with a very small gain (less than 0.1%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
23-May	Monday		no data		
24-May	Tuesday		no data		
25-May	Wednesday	April	New commercial vehicle registrations (YoY%)	43.8	52.7
26-May	Thursday	April	M3 (broad money, YoY%)	10.8	9.9
		April	Non-government loans (YoY%)	3.0	2.8
		April	Non-government deposits (YoY%)	10.1	9.5
27-May	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		24-May-16				
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%	
OTP AvantisRO	RON	7.8310	↓ -2.84	↓ -7.90	↓ -6.69	
OTP Obligatiuni	RON	14.4215	↑ 0.14	↑ 1.15	↑ 3.40	
OTP ComodisRO	RON	16.9723	↑ 0.16	↑ 0.62	↑ 1.57	
OTP Euro Bond	EUR	12.4948	↓ -0.05	↑ 0.74	↑ 3.13	
OTP Dollar Bond	USD	10.7125	↑ 0.16	↑ 1.37	↑ 3.14	
OTP Premium Return	RON	10.6312	↓ -0.70	↓ -0.81	↓ -2.79	
OTP Euro Premium Return	EUR	9.6331	↓ -0.19	↓ -2.03	n.a.	
OTP Global Mix	RON	9.9918	↓ -0.24	↓ -0.07	n.a.	

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