

Date: 13.06.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,406.54	↓ -0.06	↓ -2.36
BET-TR	7,711.29	↓ -0.07	↓ -2.40
BET-FI	25,552.84	↓ -0.41	↓ -2.49
BET-XT	577.63	↓ -0.09	↓ -2.21
TLV	2.0800	→ 0.00	↓ -5.02
TGN	288.0000	↑ 2.13	↓ -0.69
SNG	24.3000	↑ 0.62	→ 0.00
BRD	9.4000	→ 0.00	↓ -4.08
FP	0.7050	↓ -0.70	↓ -3.16

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.48	→ 0.0	↑ 0.5
12 month	0.61	↑ 0.5	↓ -1.0
3 year	1.72	↑ 0.5	↓ -6.0
5 year	2.58	↓ -0.5	↓ -7.0
10 year	3.51	↑ 0.5	↓ -7.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	8.7Y	RON 300 mn	RON 349.2 mn
Monday	6.5Y	RON 400 mn	RON 293.5 mn

MONEY MARKET

	Rate (%)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.38	↓ -2.0	↓ -1.0
3M ROBOR	0.73	↓ -2.0	↓ -2.0
6M ROBOR	1.00	↓ -1.0	→ 0.0
1Y ROBOR	1.16	↓ -2.0	↓ -1.0
5Y CDS	104.95	↑ 1.1	↑ 1.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5148	↓ -0.04	↑ 0.02
USD/RON	3.9976	↓ -0.42	↑ 0.57
CHF/RON	4.1456	↓ -0.38	↑ 1.24
100HUF/RON	1.4420	↓ -0.37	↓ -0.67

Sources: Reuters, OTP Research

Summary

- Romania's current account balance continued to deteriorate.
- Industrial production and construction works got steam in April.
- Brexit fears continued to weigh on the market.
- The Treasury sold less than planned in 6.5Y bonds yesterday.
- ROBOR rates mostly eased on Monday.

Yesterday's balance of payment statistics pointed to another increase in Romania's current account deficit. In the first four month of the year, the deficit totalled EUR 1,843 mn, while in the same period of the previous year the country's current account registered a surplus of EUR 282 mn. The largest deterioration was recorded in the balance of primary incomes (EUR -2,504 mn vs EUR -780 mn) and goods (EUR -2,529 mn vs. EUR -1,787 mn), while the balance of services continued to show nice surpluses (EUR 2,289 mn vs. EUR 2,047 mn). In the period of January-April 2016, inward FDI flows reached EUR 887 mn, the NBR's press release revealed as well.

Industrial production got steam in April, and added 3.5% MoM (SWDA data), helped primarily by the sector of electricity, gas, steam and air conditioning supply (5.9% MoM) as well as manufacturing (3.2% MoM), while mining and quarrying continued to slump (-1.9% MoM). In year-on-year comparison, industrial production accelerated to record a 3.4% gain (gross data), after March's 2.6% advance. We recall, that industry had a very small contribution to Q1's GDP growth (for further details please see our latest [GDP report](#)), despite the strengthening domestic demand. Therefore today's promising data is really welcomed, improving Q2's growth perspectives.

Moreover, construction works also surged in April, pointing to a 5.9% increase (MoM, SWDA), first of all driven by civil engineering (+14.9% MoM). Compared to the same month of the previous year the output of construction works rose by 12.6% (gross data).

Yesterday Brexit fears continued to weigh on the market. As a result, global stock markets fell again, and the CEE regions' currencies mostly weakened against the EUR, but the RON was relatively stable.

The demand coming from primary dealers was rather weak on yesterday's bond auction. Commercial banks submitted offers in value of RON 432 mn, while debt managers decided to borrow only RON 293.5 mn, less than planned (RON 400 mn). Nevertheless, the average accepted yield eased to 3.09%, which is 11 basis points lower than at a similar auction held in May.

On Monday, interbank lending rates mostly eased, with the ROBOR 3M benchmark decreasing 2 basis points to 0.73%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
10-Jun	Friday	April	Industrial trade turnover index (YoY%)	9.3	3.0
		April	Index value of new orders in manufacturing (YoY%)	5.2	6.6
		May	Consumer price index (YoY%)	-3.5	-3.5
13-Jun	Monday	April	Turnover of market serv. provided to the population (YoY%)	9.6	11.9
		April	CA balance (EUR mn, YTD)	-1,843	-1,472
14-Jun	Tuesday	April	Industrial production (YoY%)	3.5	2.6
		April	Construction works (YoY%)	12.6	-3.0
15-Jun	Wednesday	April	Wholesale turnover index (YoY%)		8.3
		April	Turnover of market serv. rendered mainly to enterp. (YoY%)		7.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		10-Jun-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.0579	↑ 2.07	↓ -5.23	↓ -3.92		
OTP Obligatiuni	RON	14.4489	↑ 0.24	↑ 1.34	↑ 3.46		
OTP ComodisRO	RON	16.9831	↑ 0.12	↑ 0.69	↑ 1.55		
OTP Euro Bond	EUR	12.5149	↑ 0.10	↑ 0.90	↑ 3.17		
OTP Dollar Bond	USD	10.7331	↑ 0.19	↑ 1.56	↑ 3.26		
OTP Premium Return	RON	10.7308	↑ 0.72	↑ 0.12	↓ -1.05		
OTP Euro Premium Return	EUR	9.6461	↑ 0.09	↓ -1.90	n.a.		
OTP Global Mix	RON	10.1052	↑ 0.99	↑ 1.06	n.a.		

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