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Daily Report – Romania

Date: 27.06.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,271.89	↑ 0.09	↓ -3.33
BET-TR	7,606.07	↑ 0.10	↓ -2.70
BET-FI	25,275.71	↓ -0.04	↓ -1.36
BET-XT	567.12	↑ 0.15	↓ -2.87
BRD	9.1800	↓ -0.76	↓ -4.57
EBS	84.6000	↓ -7.24	↓ -12.96
FP	0.6800	↑ 0.29	↓ -3.00
TLV	2.0900	↓ -0.48	↓ -4.57
SNG	24.3500	↑ 1.88	↑ 0.21

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.57	↓ -1.5	↑ 5.5
12 month	0.75	↑ 0.5	↑ 9.0
3 year	1.86	↓ -2.0	↑ 6.5
5 year	2.81	↓ -1.5	↑ 11.5
10 year	3.64	↓ -6.5	↑ 7.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	1Y	RON 1000 mn	RON 1000 mn
Monday	2.8Y	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.55	↓ -2.0	↑ 15.0
3M ROBOR	0.84	↓ -1.0	↑ 8.0
6M ROBOR	1.06	↓ -1.0	↑ 5.0
1Y ROBOR	1.22	↓ -3.0	↑ 4.0
5Y CDS	114.93	↑ 2.3	↑ 4.4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5224	↓ -0.16	↓ -0.20
USD/RON	4.1080	↑ 0.82	↑ 2.55
CHF/RON	4.1924	↑ 0.18	↓ -0.03
100HUF/RON	0.0142	↓ -0.24	↓ -1.71

Sources: Reuters, OTP Research

Summary

- On Monday, the shock of the Brexit vote continued to weigh on global financial markets, but the RON fared relatively well.
- The MoF held an auction yesterday, selling the planned amount of RON 500 mn via 2.8Y bonds.
- The benchmark GS' yields and money market rates mostly eased on Monday.
- Despite the negative mood on the key global stock markets, the BET registered a slight gain yesterday.

The shock caused by the Brexit referendum continued to shadow trading on global financial markets yesterday, with the GBP sliding to a 31-year low against the USD. In the CEE region, both Poland's zloty and the Hungarian forint remained under selling pressure, while the RON fared relatively well, and finished Monday's session slightly stronger compared to the official currency of the Eurozone. On the other hand, following its Friday's rally, the US dollar appreciated further yesterday, pushing the EUR/USD close to 1.1, its lowest level since the middle of March.

The Ministry of Finance sold the planned amount of RON 500 mn in 2.8Y bonds yesterday, amid relatively good demand, after eight commercial banks sent bids in value of RON 1,017 mn. Nevertheless, the average accepted yield rose by 9 basis points to 1.90% compared to the auction held a month earlier with the same ISIN.

The impact of the Brexit shock on the money market and government securities seemingly eased, with ROBOR rates and benchmark yields mostly decreasing on Monday.

Equity markets continued to suffer both in Europe and in the USA on the back of the uncertainty caused by last week's UK referendum. The key Western European stock indices fell sharply, by 2.6%-3.0%, but US stocks also ended deep in negative territory, with the S&P500 giving up 1.8%. On the other hand, Bucharest's BET outperformed its rivals and registered a 0.1% gain. Banking shares, which seemed to be more sensitive to negative news from the UK, continued to fall (TLV -0.5%, BRD:-0.8%) together with OMW Petrom (-0.8%), but the other components of the BET avoided losses.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
23-Jun	Thursday	May	M3 (broad money, YoY%)	12.7	10.8
		May	Non-government loans (YoY%)	2.4	3.0
	May	May	Non-government deposits (YoY%)	12.4	10.1
		May	New commercial vehicle registrations (YoY%)	18.9	43.8
24-Jun	Friday		no data		
27-Jun	Monday		no data		
28-Jun	Tuesday		no data		
29-Jun	Wednesday	May	Licenses for residential buildings (YoY%)		11.5
		June	Economic Sentiment Indicator		103.6
		June	Consumer Confidence Indicator		-18.6

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		24-Jun-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	7.9620	↑ 1.67	↓ -6.35	↓ -4.17		
OTP Obligatiuni	RON	14.4313	↑ 0.07	↑ 1.22	↑ 3.20		
OTP ComodisRO	RON	16.9915	↑ 0.11	↑ 0.74	↑ 1.54		
OTP Euro Bond	EUR	12.5002	↑ 0.04	↑ 0.79	↑ 2.81		
OTP Dollar Bond	USD	10.7344	↑ 0.20	↑ 1.57	↑ 2.37		
OTP Premium Return	RON	10.6985	↑ 1.00	↓ -0.18	↓ -1.08		
OTP Euro Premium Return	EUR	9.6365	↑ 0.04	↓ -2.00	n.a.		
OTP Global Mix	RON	10.0541	↑ 0.62	↑ 0.55	n.a.		

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