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Daily Report – Romania

Date: 06.07.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,434.22	↓ -1.21	↓ -1.07
BET-TR	7,897.99	↓ -1.22	↑ 0.13
BET-FI	27,096.51	↓ -0.74	↑ 2.37
BET-XT	582.75	↓ -1.11	↓ -0.95
TLV	2.0500	↓ -1.44	↓ -3.76
EL	13.3000	↓ -0.15	↑ 1.99
SNG	22.0000	↓ -1.57	↓ -12.35
FP	0.7520	↓ -1.05	↑ 4.88
TGN	272.0000	↓ -1.09	↓ -0.37

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.49	↓ -1.0	↓ -4.0
12 month	0.64	↓ -1.0	↓ -4.5
3 year	1.71	↓ -1.5	↓ -11.0
5 year	2.49	↓ -2.0	↓ -18.0
10 year	3.27	↓ -5.5	↓ -20.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	11M	RON 1000 mn	RON 1000 mn
Thursday	8.6Y	RON 200 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.44	↓ -3.0	↓ -6.0
3M ROBOR	0.78	↓ -2.0	↓ -5.0
6M ROBOR	1.04	↓ -2.0	↓ -2.0
1Y ROBOR	1.20	↓ -2.0	↓ -2.0
5Y CDS	112.74	↑ 2.2	↑ 4.4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5198	↓ -0.13	↓ -0.16
USD/RON	4.0718	↓ -0.35	↑ 0.03
CHF/RON	4.1768	↓ -0.08	↑ 0.57
100HUF/RON	0.0143	↑ 0.01	↑ 0.01

Sources: Reuters, OTP Research

Summary

- Real wages increased by 18.3% YoY in May, the NIS said this morning.
- The EUR/RON ended slightly lower yesterday.
- The MoF aims to borrow RON 200 mn today.
- Government securities' yield curve and ROBOR interest rates decreased.
- On Wednesday, the BET fell in sync with its Western European peers.

The growth rate of average net wages accelerated to 14.2% YoY in May, after April's 12.3% YoY. The positive evolution was also helped by the latest minimum wage hike. In real terms, wages surged by 18.3% YoY, after the annual inflation rate hit another record low in May (-3.5%). The cheering growth figures suggest that most probably households' consumption remained the main driver of Romania's economic advance in Q2 2016 too.

The CEE region's currencies moved in different directions in yesterday's mixed trading sentiment. The leu slightly appreciated compared to the EUR and firmed around 0.4% against the US dollar.

Today the Ministry of Finance will hold an auction in order to sell RON 200 mn via 8.6Y bonds, according to its emission calendar. On Wednesday, both government securities' yields and interbank lending rates continued to ease, with the ROBOR 3M sliding two basis points to 0.78%.

The key stock markets of Europe closed in negative territory yesterday, dragged down primarily by banking shares, after investor concerns about the negative impact of extra low interest rates on lending institutions increased in the light of UK's decision to leave the European Union. In Bucharest, the main indices fell as well, with the BET losing 1.2%, after banking shares dropped sharply, and only one company, namely OMW Petrom was able to record a slight gain (+0.2%) among the BET's ten components. US stock also started the day mostly in red zone, but they bounced back and finished in positive territory on Wednesday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
4-Jul	Monday	May	Producer Price Index (YoY%)	-2.8	-3.0
5-Jul	Tuesday	May	Retail trade (YoY%)	15.8	19.4
6-Jul	Wednesday		no data		
7-Jul	Thursday	May	Net wage growth rate (YoY%)	14.2	12.3
8-Jul	Friday	Q1 2016	Detailed GDP growth rate (YoY%, provisional data 2)		4.3

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		5-Jul-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.2388	↑ 1.14	↓ -3.10	↓ -1.66		
OTP Obligatiuni	RON	14.4872	↑ 0.39	↑ 1.61	↑ 3.57		
OTP ComodisRO	RON	16.9982	↑ 0.12	↑ 0.78	↑ 1.54		
OTP Euro Bond	EUR	12.5433	↑ 0.32	↑ 1.13	↑ 3.17		
OTP Dollar Bond	USD	10.7688	↑ 0.42	↑ 1.90	↑ 2.69		
OTP Premium Return	RON	10.8358	↑ 1.00	↑ 1.10	↑ 0.21		
OTP Euro Premium Return	EUR	9.7056	↑ 0.74	↓ -1.29	n.a.		
OTP Global Mix	RON	10.1455	↑ 0.28	↑ 1.46	n.a.		

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