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Daily Report – Romania

Date: 15.07.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,614.60	↑ 0.52	↑ 2.19
BET-TR	8,165.61	↑ 0.53	↑ 2.75
BET-FI	27,694.10	↑ 0.64	↑ 1.17
BET-XT	597.93	↑ 0.51	↑ 1.79
TLV	2.1300	↑ 1.67	↑ 1.67
FP	0.7770	↑ 0.26	↑ 4.30
EBS	103.0000	↑ 0.49	↑ 15.47
SNG	22.1500	↑ 0.45	↓ -0.67
TGN	278.0000	↑ 0.36	↑ 1.83

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.47	↓ -0.5	↓ -1.0
12 month	0.59	↓ -0.5	↓ -2.5
3 year	1.63	→ 0.0	↓ -5.0
5 year	2.39	↓ -1.5	↓ -6.0
10 year	3.15	↓ -2.5	↓ -8.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6M	RON 500 mn	
Thursday	4.7Y	RON 300 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.42	↓ -1.0	↓ -2.0
3M ROBOR	0.80	↓ -1.0	→ 0.0
6M ROBOR	1.05	→ 0.0	↓ -2.0
1Y ROBOR	1.21	→ 0.0	→ 0.0
5Y CDS	108.29	→ 0.0	↓ -2.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4807	↓ -0.11	↓ -0.59
USD/RON	4.0616	↑ 0.69	↓ -0.43
CHF/RON	4.1295	↑ 0.41	↓ -0.44
100HUF/RON	0.0142	↓ -0.47	↓ -1.04

Sources: Reuters, OTP Research

Summary

- The number of new passenger car registrations fell sharply in June (-36.7% YoY).
- Romania's leu finished last week stronger.
- Today the Ministry of Finance aims to sell RON 500 mn debt in 6M bills.
- GSs' yield curve moved lower on Friday.
- The shocking terror attack in France weighed on European equity markets, but Bucharest's BET inched 0.5% higher.

June's new passenger car registration figures brought a negative surprise, pointing to a 36.7% drop in annual terms, after a 7.1% YoY advance in May. According to the ACEA's (European Automobile Manufacturers Association) statistics, less than 5,500 new vehicles were sold in June and around 35,500 in the first half of the year. The latter data indicates a very modest, 2.8% gain compared to the same period of the previous year. At the same time, at the level of the European Union, passenger car sales soared by 9.4% YoY in the first six months of 2016, to almost 7.84 mn vehicles and increased by 6.9% YoY in June. Dacia's sales added 2.8% YoY in the period of January-June 2016, exceeding 219,000 units.

The deadly terrorist attack in Nice, France left its mark on Friday's trading mood, while favourable economic data from the USA supported the USD to gain ground against the euro. The rather pessimistic European market sentiment weighed on the CEE region's currencies, but Romania's RON was able to march further against the EUR, finishing the day 0.1% stronger. In weekly comparison, the leu appreciated around 0.6% compared to the euro, reaching 4.48, while the pair was traded even lower this morning.

Today the Ministry of Finance plans to borrow RON 500 mn via Treasury bills maturing in six months.

The benchmark government securities' yields mostly eased on Friday, with the yield on the 10Y maturity shedding 3 basis points. Meanwhile, the interbank lending rates showed little variation.

The main European equity benchmarks mostly closed in the red zone, dragging down by the news on shocking terrorist attacks in France. On the other hand, Bucharest's BET index was able to post gains (0.5%), as only the shares of the SNP and the SNN closed in negative territory.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
13-Jul	Wednesday	May	Turnover of market serv. provided to the population (YoY%)	10.5	9.8
	May	Industrial production (YoY%)	1.5	3.8	
	May	Construction works (YoY%)	8.9	12.3	
14-Jul	Thursday	May	Turnover of market serv. rendered mainly to enterp. (YoY%)	9.1	6.9
	May	Wholesale turnover index (YoY%)	8.8	9.7	
	May	CA balance (EUR mn, YTD)	-2,600	-1,843	
15-Jul	Friday	June	New passenger car registrations (YoY%)	-36.7	7.1
18-Jul	Monday		no data		
19-Jul	Tuesday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		14-Jul-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.4268	↑ 5.59	↓ -0.89	↓ -1.05		
OTP Obligatiuni	RON	14.5188	↑ 1.63	↑ 1.83	↑ 3.71		
OTP ComodisRO	RON	17.0041	↑ 0.75	↑ 0.81	↑ 1.52		
OTP Euro Bond	EUR	12.5696	↑ 1.23	↑ 1.35	↑ 3.33		
OTP Dollar Bond	USD	10.7919	↑ 2.12	↑ 2.12	↑ 2.89		
OTP Premium Return	RON	10.8923	↑ 1.03	↑ 1.63	↑ 1.16		
OTP Euro Premium Return	EUR	9.7918	↓ -0.06	↓ -0.42	n.a.		
OTP Global Mix	RON	10.2902	↑ 3.33	↑ 2.91	n.a.		

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