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# Daily Report – Romania

Date: 19.07.2016

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,645.06	↑ 0.33	↑ 1.76
BET-TR	8,202.98	↑ 0.33	↑ 1.72
BET-FI	27,790.82	↓ -0.09	↑ 0.89
BET-XT	600.29	↑ 0.25	↑ 1.42
TLV	2.1650	→ 0.00	↑ 3.34
EBS	104.5000	↑ 0.48	↑ 11.41
FP	0.7810	↑ 0.26	↑ 2.76
SNG	22.3500	↑ 0.90	↓ -1.11
SIF2	0.7550	↓ -0.66	↑ 2.03

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.47	↓ -0.5	↓ -1.0
12 month	0.58	↓ -2.0	↓ -1.5
3 year	1.62	↓ -1.0	↓ -2.5
5 year	2.38	→ 0.0	↓ -4.0
10 year	3.15	→ 0.0	↓ -5.5

**GOV'T BOND AUCTIONS**

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

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.43	↓ -1.0	↑ 1.0
3M ROBOR	0.80	→ 0.0	→ 0.0
6M ROBOR	1.05	→ 0.0	↓ -1.0
1Y ROBOR	1.21	→ 0.0	→ 0.0
5Y CDS	108.28	→ 0.0	↓ -2.2

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4700	↑ 0.03	↓ -0.50
USD/RON	4.0566	↑ 0.54	↓ -0.06
CHF/RON	4.1165	↑ 0.23	↑ 0.24
100HUF/RON	0.0142	↓ -0.17	↓ -0.87

Sources: Reuters, OTP Research

**Summary**

- The world's economic growth could be 0.1 pp. slower this year, at 3.1%, according to the IMF's base scenario.
- The RON finished mildly weaker against the EUR yesterday, after a multi-day rally.
- On Tuesday, the BET outperformed its Western European rivals, adding 0.3%.

The International Monetary Fund presented its updated world economic outlook yesterday. The report notes that global growth could be 0.1 percentage point slower than previously thought in 2016 and 2017 in the light of the outcome of the UK's historical referendum. The downside revision was primary due to deteriorating perspectives in advanced economies. In these conditions, the global economic output may advance by 3.1% this year and by 3.4% in 2017. As the unprecedented move of the UK causes high uncertainties, the IMF also prepared a downside and a severe scenario too. According to the latter, gloomiest scenario, economic growth may reach only 2.8% both in 2016 and 2017, after last year's 3.1% increase.

Investors became more cautious on yesterday's trading session. Among others, Germany's disappointing ZEW sentiment indicator weighed on market sentiment, after it plunged to its lowest level since late 2012, most probably negatively influenced by the Brexit vote as well. After a multi-day rally, Romania's leu finished marginally higher against the EUR on Tuesday, broadly in line with other currencies of the CEE region. At the same time, the RON depreciated more significantly compared to the US dollar, as the EUR/USD moved down. The dollar's strength was supported by firming expectations of an imminent Fed rate hike.

The benchmark yields on government securities decreased by 1-2 basis points up to the three-year maturity, while long-term rates were unchanged yesterday. Meanwhile, ROBOR rates remained mostly flat.

On Tuesday, the BET outperformed its Western European peers, with a 0.3% gain, supported by the shares of Romgaz (+0.9%), as well as the BVB (+0.8%) and OMW Petrom (+0.8%). European stocks ended the day mostly in negative territory, after weak German economic data. Simultaneously, corporate earnings updates also added pressure in Europe. As a result, the DAX shed 0.8% and France's CAC40 dipped 0.6% too. On the other side of the Atlantic, the Dow Jones eked out its gains (+0.1%) and closed at a record high, while the S&P500 posted a slight loss.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
15-Jul	Friday	June	New passenger car registrations (YoY%)	-36.7	7.1
18-Jul	Monday			no data	
19-Jul	Tuesday			no data	
20-Jul	Wednesday			no data	
21-Jul	Thursday			no data	

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		18-Jul-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.4740	↑ 4.49	↓ -0.33	↓ -2.61		
OTP Obligatiuni	RON	14.5239	↑ 0.62	↑ 1.87	↑ 3.72		
OTP ComodisRO	RON	17.0067	↑ 0.11	↑ 0.83	↑ 1.52		
OTP Euro Bond	EUR	12.5714	↑ 0.55	↑ 1.36	↑ 3.34		
OTP Dollar Bond	USD	10.7873	↑ 0.49	↑ 2.07	↑ 2.84		
OTP Premium Return	RON	10.8906	↑ 1.00	↑ 1.61	↑ 0.82		
OTP Euro Premium Return	EUR	9.8069	↑ 1.85	↓ -0.26	n.a.		
OTP Global Mix	RON	10.3031	↑ 1.56	↑ 3.04	n.a.		

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