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Daily Report – Romania

Date: 20.07.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,664.72	↑ 0.30	↑ 1.32
BET-TR	8,227.16	↑ 0.29	↑ 1.30
BET-FI	27,937.33	↑ 0.53	↑ 1.89
BET-XT	602.06	↑ 0.29	↑ 1.17
TLV	2.1800	↑ 0.69	↑ 3.32
FP	0.7860	↑ 0.64	↑ 3.29
BRD	9.9000	→ 0.00	↑ 0.71
EBS	106.0000	↑ 1.44	↑ 15.72
SNP	0.2595	↓ -0.19	↓ -1.33

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.46	↓ -1.0	↓ -2.5
12 month	0.57	↓ -1.0	↓ -2.5
3 year	1.62	→ 0.0	↓ -3.5
5 year	2.37	↓ -1.5	↓ -5.5
10 year	3.15	↑ 0.5	↓ -4.5

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	0.41	↓ -2.0	↓ -3.0
3M ROBOR	0.80	→ 0.0	↓ -1.0
6M ROBOR	1.05	→ 0.0	→ 0.0
1Y ROBOR	1.21	→ 0.0	→ 0.0
5Y CDS	108.29	↑ 0.0	↑ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4707	↑ 0.02	↓ -0.42
USD/RON	4.0586	↑ 0.05	↑ 0.24
CHF/RON	4.1110	↓ -0.13	↑ 0.04
100HUF/RON	0.0142	↑ 0.19	↓ -0.70

Sources: Reuters, OTP Research

Summary

- The RON finished close to 4.47 compared to the EUR; investors may focus on today's policy meeting of the ECB.
- The MoF plans to sell RON 300 mn via 4.7Y bonds.
- Amid the favourable global trading sentiment, the BVB's indices finished in the green.

Romania's leu was traded near 4.47 versus the common European currency yesterday, showing little variation compared to its previous closing level. Wednesday was a relatively quiet session for other currencies of the CEE region too, with Poland's PLN and the Hungarian HUF appreciating marginally against the EUR. On the other hand, the Turkish lira lost more ground yesterday on the back of the latest news on the political front and the downgrade of the country by Standard & Poor's. Compared to the US dollar, the RON weakened slightly, as the EUR/USD moved a bit lower on growing expectations for a potential rate hike in the USA this year. Nevertheless, investors seemed to be rather cautious ahead of today's ECB policy meeting. According to the expectations, the Governing Council of the European Central Bank may keep its benchmark interest rates unchanged today, while ECB chief Mario Draghi could give hints about further easing measures at the subsequent press conference. The Fed will hold its next open market committee meeting on 26-27 July.

Government securities' yields registered limited changes yesterday, and ROBOR rates were mainly flat. Today the Ministry of Finance aims to hold an auction for selling 4.7Y bonds in value of RON 300 mn.

In the absence of important macroeconomic data, mainly company earnings reports moved equity markets yesterday, but easing crude oil reserves in the USA also fuelled optimism. In Western Europe, the DAX performed quite well, marching up 1.6%, while the main US stock indices hit new highs as well. Similarly to their global peers, Bucharest's key indices finished in green zone too, with the BET climbing 0.3%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
18-Jul	Monday		no data		
19-Jul	Tuesday		no data		
20-Jul	Wednesday		no data		
21-Jul	Thursday		no data		
22-Jul	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		19-Jul-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.4802	↑ 4.57	↓ -0.26	↓ -2.54		
OTP Obligatiuni	RON	14.5263	↑ 0.63	↑ 1.89	↑ 3.74		
OTP ComodisRO	RON	17.0074	↑ 0.12	↑ 0.83	↑ 1.53		
OTP Euro Bond	EUR	12.5731	↑ 0.56	↑ 1.37	↑ 3.35		
OTP Dollar Bond	USD	10.7836	↑ 0.45	↑ 2.04	↑ 2.81		
OTP Premium Return	RON	10.9014	↑ 1.00	↑ 1.71	↑ 0.92		
OTP Euro Premium Return	EUR	9.8127	↑ 1.92	↓ -0.20	n.a.		
OTP Global Mix	RON	10.3072	↑ 1.60	↑ 3.08	n.a.		

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