



Date: 27.07.2016

**STOCK EXCHANGE**

|        | Close     | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET    | 6,727.32  | ↑ 1.08         | ↑ 0.94          |
| BET-TR | 8,306.76  | ↑ 1.08         | ↑ 0.97          |
| BET-FI | 28,133.69 | ↑ 0.87         | ↑ 0.70          |
| BET-XT | 607.65    | ↑ 1.03         | ↑ 0.93          |
| TLV    | 2.2250    | ↑ 3.25         | ↑ 2.06          |
| FP     | 0.7820    | ↑ 0.13         | ↓ -0.51         |
| TGN    | 285.0000  | ↑ 1.06         | ↑ 3.26          |
| SNG    | 22.8500   | ↑ 0.66         | ↑ 1.56          |
| EL     | 13.1800   | ↑ 0.15         | ↑ 2.49          |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 0.46      | → 0.0           | → 0.0            |
| 12 month | 0.57      | ↓ -0.5          | → 0.0            |
| 3 year   | 1.60      | → 0.0           | ↓ -2.0           |
| 5 year   | 2.37      | ↓ -1.0          | → 0.0            |
| 10 year  | 3.17      | ↓ -2.5          | ↑ 1.5            |

**GOV'T BOND AUCTIONS**

|        | Maturity | Auctions   | Sold       |
|--------|----------|------------|------------|
| Monday | 3.6Y     | RON 500 mn | RON 500 mn |

**MONEY MARKET**

|          | Rate (%) | Daily chg (bp) | Weekly chg (bp) |
|----------|----------|----------------|-----------------|
| ON ROBOR | 0.57     | ↓ -2.0         | ↑ 16.0          |
| 3M ROBOR | 0.82     | → 0.0          | ↑ 2.0           |
| 6M ROBOR | 1.05     | → 0.0          | → 0.0           |
| 1Y ROBOR | 1.21     | → 0.0          | → 0.0           |
| 5Y CDS   | 108.27   | → 0.0          | ↓ 0.0           |

**FX MARKET**

|            | Rate   | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON    | 4.4609 | ↓ -0.12        | ↓ -0.22         |
| USD/RON    | 4.0343 | ↓ -0.76        | ↓ -0.60         |
| CHF/RON    | 4.0917 | ↓ -0.09        | ↓ -0.47         |
| 100HUF/RON | 0.0142 | ↓ -0.16        | ↑ 0.23          |

Sources: Reuters, OTP Research

**Summary**

- On Wednesday, the Fed left the benchmark rates unchanged, as it was widely expected.
- The EUR/RON showed little variation yesterday.
- The long-end of the yield curve eased a bit.
- Bucharest's main equity indices posted nice gains yesterday.

As it was widely expected by the market, the Federal Reserve left its benchmark interest rates unchanged in a range between 0.25% and 0.50% on Wednesday, with nine FOMC (Federal Open Market Committee) members voting in favour of leaving rates on hold and with one member preferring to raise the target range. The policy statement of the Fed noted that the labour market strengthened and the economic activity has been expanding at a moderate rate. Meanwhile, near-term risks to the economic outlook have diminished as well, suggesting that a rate hike in September cannot be fully ruled out. Nevertheless, the chance of raising rates in September was considered to be quite low by market participants, while a report on durable goods orders caused disappointment among US investors as well. In such conditions, the EUR/USD finished yesterday's trading somewhat higher.

Waiting for the Fed's policy statement, the RON showed little variation compared to the EUR and closed yesterday's session marginally stronger. The other currencies of the CEE region had also a rather quiet day on Wednesday. This morning, the EUR/RON is traded at around 4.46.

Interbank lending rates pointed to limited changes, while government securities' yields curve flattened a bit, after the yields on the 5Y and 10Y maturities eased slightly.

Trading on European stock markets was optimistic on Wednesday, among others helped by several favourable earnings reports and news about Japanese economic stimulus plans. The CAC40 surged 1.2% and Germany's DAX advanced 0.7% too. The BET benefited from the favourable mood and closed the day with nice gains. All of the ten components of the BET ended in positive territory, with Banca Transilvania gaining the most (+3.3%). In the USA, the main equity indices moved in different directions on Wednesday.

| Date   | PERIOD    | INDICATOR | FACT  | CONSENSUS | PREVIOUS |
|--------|-----------|-----------|---|-----------|----------|
| 22-Jul | Friday    | no data   |   |           |          |
| 25-Jul | Monday    | June      | M3 (broad money, YoY%)                      | 13.1      | 12.7     |
|        |           | June      | Non-government loans (YoY%)                 | 1.2       | 2.4      |
|        |           | June      | Non-government deposits (YoY%)              | 12.3      | 12.4     |
| 26-Jul | Tuesday   | no data   |   |           |          |
| 27-Jul | Wednesday | no data   |   |           |          |
| 28-Jul | Thursday  | June      | New commercial vehicle registrations (YoY%) |           | 18.9     |
|        |           | July      | Economic Sentiment Indicator                |           | 103.2    |
|        |           | July      | Consumer Confidence Indicator               |           | -19.6    |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds |     | 26-Jul-16  |        |         |         |  |
|---------------------------|-----|------------|--------|---------|---------|--|
| Investment funds          | ccy | last NAV/U | 1m%    | Ytd%    | 52W%    |  |
| OTP AvantisRO             | RON | 8.5144     | ↑ 6.94 | ↑ 0.14  | ↓ -1.83 |  |
| OTP Obligatiuni           | RON | 14.5351    | ↑ 0.72 | ↑ 1.95  | ↑ 3.74  |  |
| OTP ComodisRO             | RON | 17.0120    | ↑ 0.12 | ↑ 0.86  | ↑ 1.52  |  |
| OTP Euro Bond             | EUR | 12.5789    | ↑ 0.63 | ↑ 1.42  | ↑ 3.36  |  |
| OTP Dollar Bond           | USD | 10.7853    | ↑ 0.47 | ↑ 2.05  | ↑ 2.80  |  |
| OTP Premium Return        | RON | 10.8949    | ↑ 1.01 | ↑ 1.65  | ↑ 1.15  |  |
| OTP Euro Premium Return   | EUR | 9.8079     | ↑ 1.78 | ↓ -0.25 | n.a.    |  |
| OTP Global Mix            | RON | 10.3460    | ↑ 2.90 | ↑ 3.47  | n.a.    |  |

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