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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,898.58	↑ 0.47	↑ 0.97
BET-TR	8,516.61	↑ 0.48	↑ 0.97
BET-FI	28,524.02	↑ 0.57	↑ 0.46
BET-XT	622.51	↑ 0.48	↑ 0.82
SNG	23.0500	↑ 0.88	↑ 0.66
TLV	2.3950	↑ 0.42	→ 0.00
FP	0.7830	↑ 0.38	↑ 1.69
EL	13.5600	↑ 2.11	↑ 3.04
BRD	10.5000	↓ -0.38	↑ 0.77

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.43	→ 0.0	→ 0.0
12 month	0.54	↓ -0.5	↓ -1.0
3 year	1.47	↓ -0.5	↓ -4.5
5 year	2.16	↓ -0.5	↓ -7.0
10 year	2.88	→ 0.0	↓ -11.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	4.6Y	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.47	↓ -1.0	↓ -1.0
3M ROBOR	0.75	↓ -1.0	↓ -4.0
6M ROBOR	1.00	→ 0.0	↓ -3.0
1Y ROBOR	1.13	↓ -3.0	↓ -5.0
5Y CDS	100.28	↓ -0.5	↓ -0.4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4708	↓ -0.11	↑ 0.27
USD/RON	3.9384	↓ -0.66	↓ -1.63
CHF/RON	4.1260	↑ 0.11	↑ 0.54
100HUF/RON	0.0144	↑ 0.16	↑ 0.23

Sources: Reuters, OTP Research

Summary

- Yesterday the RON recovered some of its Wednesday's losses against the EUR, with the pair finishing at around 4.47.
- The MoF managed to borrow easily the planned amount of RON 500 mn via 4.6Y bonds.
- European stocks rebounded yesterday; the BET also performed well in the improved trading mood.

While on Wednesday, the hawkish comments of Fed policy makers caused waves on Romania's FX market as well, pushing the EUR/RON to a multi-week high, yesterday the leu slightly firmed against the common European currency on relatively low volumes. This movement of the RON was also bolstered by the recently published July's minutes of the FOMC (Federal Open Market Committee), which revealed that committee members were split over whether an interest rate increase would be required in the near future. The receded rate hike expectations supported not only the leu, but the Hungarian forint as well. Nevertheless, Poland's zloty lost some ground compared to the EUR, after disappointing data came out about the country's economy. The RON appreciated even more versus the US dollar, after the EUR/USD climbed well above 1.13 on Thursday.

As expected, healthy demand characterized yesterday's bond auction in the light of the rather dovish Fed minutes. The Ministry of Finance sold the planned amount of RON 500 mn, after nine primary dealers submitted bids in value of RON 999 mn, driving the average yield to only 2.13%. At a similar auction, the average accepted yield stood at 2.40% a month earlier.

The key Western European stock indices broke a multi-day falling streak, registering gains between 0.1% and 0.6%, while Bucharest's BET also advanced 0.5%, supported by the improving risk appetite. Among the BET components, only the shares of the BRD closed in negative territory (-0.4%). Nonetheless, the top performers, namely Electrica and the BVB posted nice gains (2.1% and 2.0% respectively). On the other side of the Atlantic, the leading indices inched a bit higher as well.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
12-Aug	Friday	June	Wholesale turnover index (YoY%)	6.0	8.8
		June	Turnover of market serv. rendered mainly to enterp. (YoY%)	11.0	10.5
	Q2 2016	Flash GDP growth rate (YoY%)	6.0	4.1	4.3
		June	Construction works (YoY%)	5.6	9.9
		June	CA balance (EUR mn, YTD)	-2,507	-2,600
16-Aug	Tuesday		no data		
17-Aug	Wednesday		no data		
18-Aug	Thursday		no data		
19-Aug	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		17-Aug-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.7156	↑ 2.98	↑ 2.51	↑ 0.15		
OTP Obligatiuni	RON	14.6302	↑ 0.75	↑ 2.61	↑ 3.80		
OTP ComodisRO	RON	17.0261	↑ 0.13	↑ 0.94	↑ 1.48		
OTP Euro Bond	EUR	12.6633	↑ 0.75	↑ 2.10	↑ 2.58		
OTP Dollar Bond	USD	10.8315	↑ 0.37	↑ 2.49	↑ 2.92		
OTP Premium Return	RON	10.9779	↑ 1.00	↑ 2.43	↑ 2.02		
OTP Euro Premium Return	EUR	9.9142	↑ 1.28	↑ 0.83	n.a.		
OTP Global Mix	RON	10.4569	↑ 1.53	↑ 4.58	n.a.		

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