

Headquarter Treasury Sales

Alexandru Tibuleac

0372 31 85 85

alexandru.tibuleac@otpbank.ro

Cristian Ilie

0372 31 85 86

ilie.cristian@otpbank.ro

Corina Bejan

0372 31 85 84

corina.bejan@otpbank.ro

Andreea Nica

0755 000 106

andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj

0755 000 400

szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti

0755 000 199

tudor.zaman@otpbank.ro

Alexandru Sabin - Arad

0730 577 959

alexandru.sabin@otpbank.ro



Daily Report – Romania

Date: 24.08.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,952.84	↑ 0.83	↑ 1.26
BET-TR	8,584.96	↑ 0.85	↑ 1.29
BET-FI	28,746.06	↑ 0.84	↑ 1.36
BET-XT	628.13	↑ 0.88	↑ 1.39
FP	0.7830	↑ 0.51	↑ 0.38
SNG	23.5000	↑ 2.17	↑ 2.84
BRD	10.9000	↑ 2.25	↑ 3.42
TGN	291.0000	↑ 1.75	↑ 2.11
TLV	2.3900	↑ 0.21	↑ 0.21

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.43	→ 0.0	→ 0.0
12 month	0.55	↑ 0.5	↑ 0.5
3 year	1.47	→ 0.0	↓ -0.5
5 year	2.10	→ 0.0	↓ -6.5
10 year	2.82	→ 0.0	↓ -6.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.5Y	RON 500 mn	RON 500 mn
Thursday	7.7Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.56	↑ 7.0	↑ 8.0
3M ROBOR	0.77	→ 0.0	↑ 1.0
6M ROBOR	1.02	→ 0.0	↑ 2.0
1Y ROBOR	1.16	↑ 1.0	→ 0.0
5Y CDS	100.28	→ 0.0	↓ -0.5

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4535	↓ -0.11	↓ -0.50
USD/RON	3.9609	↑ 0.41	↓ -0.09
CHF/RON	4.0929	↓ -0.01	↓ -0.70
100HUF/RON	0.0144	↑ 0.29	↑ 0.19

Sources: Reuters, OTP Research

Summary

- RON-denominated loans continued to lose some steam.
- Romania's leu slightly firmed against the common European currency.
- The MoF aim to borrow RON 500 mn via 7.7Y bonds.
- Similarly to its Western European peers, the BET finished yesterday's session in green zone.

The annual growth rate of non-government loans remained in positive territory in July, pointing to a 1.8% gain (+1.0% YoY on FX adjusted basis, according to our in-house estimation) a fresh report of the National Bank of Romania revealed. RON-denominated credits still show remarkable advances (overall +15.7% YoY and +29.0% YoY in the case of households), but indeed their growth rate continued to decelerate compared to the peak, reached in April (+21.1% YoY). In the light of the debt discharge law and limited upside potential in the First Home programme, loan dynamics may slow further in the coming months. At FX-denominated loans, the big picture remained the same, as they registered double-digit contraction in July too. Simultaneously, the stock of non-government deposits increased by 12.2% YoY last month, despite the 0.9% MoM drop.

The EUR/RON started yesterday's trading relatively well, but it climbed higher at the middle of the session, before ending the day almost flat. Nevertheless, some trades after the regular trading hours pushed the pair lower. Versus the US dollar, Romania's leu weakened around 0.4%, as the EUR/USD inched down ahead the annual symposium in Jackson Hole, where numerous central bankers will meet.

Today the Ministry of Finance plans to hold an auction in order to sell RON 500 mn debt via bonds, maturing in April 2024.

The main stock markets of Europe started the day in negative territory yesterday, but they were able to finish in green zone, after a quick rebound, also helped by banking shares. In Bucharest, all of the stock indices closed up, with both the BET and the BET-FI adding 0.8%. Among the individual components of the main benchmark eight companies climbed higher, led by the shares of the BRD (+2.3%) and Romgaz (+2.2%), while the BVB (-1.9%) and Nuclearelectrica (-0.8%) underperformed the market. The investment fund index, the BET-FI primarily was supported by SIF Banat Crisana, which registered a nice gain of 2.7%, while SIF Moldova advanced 1.5% too. At the same time, US stock benchmarks shed, with the S&P500 going down 0.5%, after the healthcare sector came under selling pressure, while falling crude oil prices also left their mark on the broader index. Oil futures turned south, after US crude inventories rose more rapidly than it had expected.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
22-Aug	Monday	no data			
23-Aug	Tuesday	no data			
24-Aug	Wednesday	July	M3 (broad money, YoY%)	13.3	13.1
		July	Non-government loans (YoY%)	1.8	1.2
		July	Non-government deposits (YoY%)	12.2	12.3
25-Aug	Thursday	no data			
26-Aug	Friday	no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		23-Aug-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.7654	↑ 3.04	↑ 3.09	↑ 2.44		
OTP Obligatiuni	RON	14.6438	↑ 0.78	↑ 2.71	↑ 3.83		
OTP ComodisRO	RON	17.0300	↑ 0.12	↑ 0.97	↑ 1.48		
OTP Euro Bond	EUR	12.6726	↑ 0.77	↑ 2.18	↑ 2.67		
OTP Dollar Bond	USD	10.8391	↑ 0.52	↑ 2.56	↑ 3.00		
OTP Premium Return	RON	10.9729	↑ 1.00	↑ 2.38	↑ 3.13		
OTP Euro Premium Return	EUR	9.9166	↑ 1.04	↑ 0.85	n.a.		
OTP Global Mix	RON	10.4501	↑ 1.15	↑ 4.51	n.a.		

Chief Economist
Gergely Tardos

+36 1 3747273

tardosg@otpbank.hu
Analyst
Csaba Bálint

+4021 3075896

csaba.balint@otpbank.ro

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