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Daily Report – Romania

Date: 30.08.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,021.90	↑ 0.33	↑ 1.83
BET-TR	8,672.45	↑ 0.35	↑ 1.88
BET-FI	29,240.79	↑ 0.77	↑ 2.57
BET-XT	636.01	↑ 0.45	↑ 2.14
SNG	23.7000	↑ 0.21	↑ 3.04
EL	13.7800	↓ -0.14	↑ 1.92
BRD	11.3200	↑ 1.98	↑ 6.19
TGN	302.0000	↑ 1.68	↑ 5.59
TLV	2.3850	→ 0.00	→ 0.00

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.43	↓ -0.5	↓ -0.5
12 month	0.54	↓ -0.5	→ 0.0
3 year	1.46	↓ -0.5	↓ -1.0
5 year	2.11	↑ 1.0	↑ 1.5
10 year	2.84	↓ -0.5	↑ 2.5

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.54	↓ -1.0	↑ 5.0
3M ROBOR	0.77	→ 0.0	→ 0.0
6M ROBOR	1.00	↓ -1.0	↓ -2.0
1Y ROBOR	1.15	↓ -1.0	→ 0.0
5Y CDS	99.39	→ 0.0	↓ -0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4566	↑ 0.10	↓ -0.04
USD/RON	3.9994	↑ 0.51	↑ 1.39
CHF/RON	4.0653	↑ 0.01	↓ -0.69
100HUF/RON	0.0144	↓ -0.29	↑ 0.12

Sources: Reuters, OTP Research

Summary

- June's unemployment rate stood at 6.1%, which is one of the lowest levels since 2008.
- The RON lost further ground against the US dollar yesterday.
- Romania's BET index finished higher amid yesterday's positive trading sentiment in Europe.

In June, Romania's unemployment rate increased by 0.1% percentage point, to 6.1%. Nevertheless, the historical data for the previous few months were revised downward, pointing to even tighter conditions on the labour market. The recent levels, at around 6% are the lowest since the outburst of the financial crisis in 2008.

The leu started yesterday's trading well, pushing the EUR/RON somewhat lower, but it lost ground in the afternoon and finished the day marginally weaker, while the other currencies of the CEE region also depreciated compared to the euro. Simultaneously, Romania's leu weakened more significantly against the US dollar, after the EUR/USD went down again, as the Fed seemingly intends to raise interest rates sooner rather than later.

In response to the depreciation of the euro, Western European stock indices closed in green zone on Tuesday, as the weaker euro makes exporters' products cheaper on foreign markets. The optimism was felt in Bucharest too, lifting all of the BVB's indices into positive territory. The main benchmark, the BET rose 0.3%, after six out of its ten components recorded gains, led by the BRD (+2.0%), Transgaz (+1.7%) and Transelectrica (+1.2%). On the other hand, the key equity benchmarks of the USA dipped slightly, in the range of 0.2% and 0.3%, as the hawkish messages of the Fed weighed on yesterday's trading mood.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
26-Aug	Friday	no data			
29-Aug	Monday	July	Licenses for residential buildings (YoY%)	10.1	-9.5
30-Aug	Tuesday	no data			
31-Aug	Wednesday	July	ILO unemployment rate (% , seasonally adjusted)		6.4
		August	Economic Sentiment Indicator		103.6
		August	Consumer Confidence Indicator		-19.8
1-Sep	Thursday	July	Tourists' overnight stays (YoY%)		0.0
		August	FX Reserves, EUR bn		32.7

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		29-Aug-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.9217	↑ 3.55	↑ 4.93	↑ 6.71		
OTP Obligatiuni	RON	14.6504	↑ 0.73	↑ 2.76	↑ 3.95		
OTP ComodisRO	RON	17.0339	↑ 0.12	↑ 0.99	↑ 1.48		
OTP Euro Bond	EUR	12.6788	↑ 0.73	↑ 2.23	↑ 2.83		
OTP Dollar Bond	USD	10.8431	↑ 0.52	↑ 2.60	↑ 3.09		
OTP Premium Return	RON	11.0177	↑ 1.00	↑ 2.80	↑ 4.14		
OTP Euro Premium Return	EUR	9.9415	↑ 0.99	↑ 1.11	n.a.		
OTP Global Mix	RON	10.4913	↑ 0.70	↑ 4.92	n.a.		

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