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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,035.72	↑ 0.20	↑ 1.19
BET-TR	8,690.65	↑ 0.21	↑ 1.23
BET-FI	29,406.39	↑ 0.57	↑ 2.30
BET-XT	637.40	↑ 0.22	↑ 1.48
FP	0.7940	↑ 0.89	↑ 1.40
TLV	2.3800	↓ -0.21	↓ -0.42
SNG	23.8500	↑ 0.63	↑ 1.49
TGN	303.0000	↑ 0.33	↑ 4.12
BRD	11.4000	↑ 0.71	↑ 4.59

GOV'T BOND MARKET

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

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.50	↓ -4.0	↓ -6.0
3M ROBOR	0.76	↓ -1.0	↓ -1.0
6M ROBOR	0.97	↓ -3.0	↓ -5.0
1Y ROBOR	1.13	↓ -2.0	↓ -3.0
5Y CDS	99.39	→ 0.0	↓ -0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4580	↑ 0.03	↑ 0.10
USD/RON	3.9909	↓ -0.21	↑ 0.76
CHF/RON	4.0564	↓ -0.22	↓ -0.89
100HUF/RON	0.0144	↓ -0.10	↓ -0.26

Sources: Reuters, OTP Research

Summary

- Romania's ESI indicator advanced to 104.2 points in August, from 103.6 a month earlier.
- The number of tourists' overnight stays was up by 7.5% YoY in July, the NIS said this morning.
- The EUR/RON ended yesterday's trading practically unchanged.
- ROBOR rates eased on Wednesday.
- Unlike the key equity indices of Europe, the BET finished in positive territory.

In August, Romania's economic sentiment indicator marked a seven-month high at 104.2 points, according to the report the European Commission published recently. A month earlier, it stood at 103.6. Among the sub-indices of the ESI, the largest improvement was registered in the case of the retail trade confidence indicator, which went up to 15.9, adding 8.9 points last month, while at services the index rose to 9.8, up from 9 in July. On the other hand, confidence in the construction sector weakened slightly, by 0.6 points to -13.2. In the period of July-August, Romania's ESI stood at 103.9 on average, marginally above 103.6 points in Q2 when the country's GDP expanded by 6.0% YoY. The improving sentiment index suggests that economic activity remained in good shape in the third quarter of the year too. Nevertheless, the EU level ESI slipped from 104.7 in July, to 103.8 last month, most likely driven by the concerns of economic agents about the negative effects of the UK's Brexit referendum.

This morning, the National Institute of Statistics published favourable data about the sector of tourism. The report revealed that overnight stays accelerated in July, pointing to a 7.5% annual gain (vs. June's 3.7% YoY advance).

On Wednesday, investors were rather cautious ahead of important labour market statistics from the USA. The EUR/USD climbed marginally higher, while the CEE region's currencies finished mostly flat compared to the common European currency, including the leu as well.

Interbank lending rates eased by 1-5 basis points yesterday, with the ROBOR 3M reference rate easing from 0.77% to 0.76%, while government securities' yields were barely changed yesterday.

On the back of rising crude inventories in the USA, oil futures fell yesterday, putting some pressure on the main US and European equity benchmarks. Nevertheless, Bucharest's BET index closed in the green, despite the negative sentiment, adding 0.2%. Transelectrica (+1.2%), the FP (+0.9%) and the BRD (+0.7%) recorded the largest gains among the BET's components, and OMW Petrom fell the most (-1.2%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
29-Aug	Monday	July	Licenses for residential buildings (YoY%)	10.1	-9.5
30-Aug	Tuesday	August	Economic Sentiment Indicator	104.2	103.6
		August	Consumer Confidence Indicator	-19.5	-19.8
31-Aug	Wednesday	July	ILO unemployment rate (% seasonally adjusted)	6.1	6.2
1-Sep	Thursday	July	Tourists' overnight stays (YoY%)	7.5	3.7
		August	FX Reserves, EUR bn		32.7
2-Sep	Friday	July	Producer Price Index (YoY%)		-2.3

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		30-Aug-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.9524	↑ 3.91	↑ 5.29	↑ 7.08		
OTP Obligatiuni	RON	14.6539	↑ 0.75	↑ 2.78	↑ 3.97		
OTP ComodisRO	RON	17.0347	↑ 0.12	↑ 0.99	↑ 1.48		
OTP Euro Bond	EUR	12.6815	↑ 0.75	↑ 2.25	↑ 2.85		
OTP Dollar Bond	USD	10.8451	↑ 0.54	↑ 2.62	↑ 3.11		
OTP Premium Return	RON	11.0217	↑ 1.00	↑ 2.83	↑ 4.18		
OTP Euro Premium Return	EUR	9.9528	↑ 1.10	↑ 1.22	n.a.		
OTP Global Mix	RON	10.4881	↑ 0.67	↑ 4.89	n.a.		

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