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Daily Report – Romania

Date: 12.09.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,911.19	↓ -1.65	↓ -1.63
BET-TR	8,538.81	↓ -1.66	↓ -1.59
BET-FI	28,890.87	↓ -0.97	↓ -1.86
BET-XT	626.28	↓ -1.58	↓ -1.63
FP	0.7800	↓ -1.02	↓ -1.76
TLV	2.3150	↓ -1.91	↓ -2.53
BRD	11.2000	↓ -2.61	↓ -1.41
SNG	23.9000	↓ -1.24	↑ 1.49
EL	13.4200	↓ -2.75	↓ -3.17

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.44	↑ 0.5	↑ 1.5
12 month	0.53	↑ 0.5	↓ 0.0
3 year	1.48	↑ 0.5	→ 0.0
5 year	2.14	↑ 1.5	↑ 0.5
10 year	2.98	↑ 6.0	↑ 7.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	7.6Y	RON 500 mn	RON 235 mn
Thursday	6M	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.44	→ 0.0	↓ -1.0
3M ROBOR	0.73	↓ -1.0	↓ -3.0
6M ROBOR	0.96	→ 0.0	↓ -1.0
1Y ROBOR	1.11	→ 0.0	↓ -1.0
5Y CDS	99.39	↑ 1.3	↑ 2.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4470	↑ 0.08	↓ -0.04
USD/RON	3.9570	↑ 0.02	↓ -0.87
CHF/RON	4.0735	↑ 0.46	↑ 0.03
100HUF/RON	0.0144	↓ 0.00	↑ 0.08

Sources: Reuters, OTP Research

Summary

- Market services provided to the population continued to expand in July.
- The leu and its rivals in the CEE region came under selling pressure.
- Amid yesterday's weak demand, the MoF sold less than planned in 7.6Y bonds.
- Government securities' reference rates climbed 1-6 basis points higher.
- The BET finished in negative territory, similarly to its Western European peers.

The turnover index of market services provided to the population rose by 6.8% YoY (gross data) and 1.1% MoM (SWDA), the NIS said in a report this morning.

As the US rate-hike worries intensified, the downbeat tone lingered on financial markets on Monday too. The CEE region's currencies came under selling pressure, weakening somewhat against the EUR yesterday. The leu also lost some ground compared to the common European currency, with the EUR/RON climbing closer to 4.45.

Amid yesterday's gloomy market sentiment, commercial banks appeared to be more reluctant in submitting offers on the 7.6Y bond auction, organized by the Ministry of Finance. As a result, the subscribed amount reached only RON 425 mn, well below the planned RON 500 mn. Meanwhile, debt managers accepted bids in value of RON 235 mn at an average yield of 2.74%, which was 11 bps higher than at the previous transaction with the same ISIN at the end of August.

At the same time, the yield curve of government securities edged up, with the largest movement at the 10Y benchmark yield, which rose by 6 bps. Nonetheless, interbank lending rates showed little variation, pointing to marginal decreases at the 1M and 3M maturities (both eased by 1 bp).

The leading Western European indices finished in red zone, with Germany's DAX sliding 1.3%. In Bucharest, all of the main equity benchmarks slumped. The BET lost 1.7%, after all of its individual components dipped lower. Nevertheless, trading sentiment improved as a Fed official sent a rather dovish message, after last week's hawkish comments. The improving sentiment helped US stocks to edge up, with the benchmark indices climbing more than 1%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
12-Sep	Monday	August	Consumer price index (YoY%)	-0.2	-0.8
		July	Industrial trade turnover index (YoY%)	-3.3	3.2
		July	Index value of new orders in manufacturing (YoY%)	-1.9	17.9
13-Sep	Tuesday	July	Turnover of market serv. provided to the population (YoY%)	6.8	10.9
		July	CA balance (EUR mn, YTD)		-2,507
14-Sep	Wednesday	July	Wholesale turnover index (YoY%)		
		July	Turnover of market serv. rendered mainly to enterp. (YoY%)		
		July	Industrial production (YoY%)		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		9-Sep-16					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	9.0166	↑	3.42	↑	6.05	↑ 6.99
OTP Obligatiuni	RON	14.6880	↑	0.61	↑	3.02	↑ 4.11
OTP ComodisRO	RON	17.0404	↑	0.12	↑	1.03	↑ 1.47
OTP Euro Bond	EUR	12.7088	↑	0.57	↑	2.47	↑ 3.04
OTP Dollar Bond	USD	10.8557	↑	0.38	↑	2.72	↑ 3.15
OTP Premium Return	RON	11.0606	↑	1.00	↑	3.20	↑ 4.48
OTP Euro Premium Return	EUR	9.9743	↑	0.57	↑	1.44	n.a.
OTP Global Mix	RON	10.4687	↓	0.00	↑	4.70	n.a.

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