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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,045.48	↑ 0.13	↑ 1.52
BET-TR	8,703.12	↑ 0.13	↑ 1.51
BET-FI	29,309.62	↑ 0.27	↑ 0.88
BET-XT	637.25	↑ 0.18	↑ 1.32
FP	0.8000	↓ -0.25	↑ 1.91
TLV	2.4150	↑ 0.63	↑ 2.77
SNG	23.6000	↓ -0.63	↓ -1.05
TGN	303.0000	→ 0.00	↑ 0.66
TEL	29.3000	↑ 0.34	↑ 0.17

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.42	→ 0.0	↓ -1.0
12 month	0.52	→ 0.0	↓ -1.0
3 year	1.45	↓ -1.5	↓ -3.0
5 year	2.12	↓ -2.0	↓ -2.0
10 year	2.91	↓ -4.5	↓ -8.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.4Y	RON 500 mn	RON 500 mn
Thursday	2.6Y	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.43	→ 0.0	→ 0.0
3M ROBOR	0.71	→ 0.0	↓ -2.0
6M ROBOR	0.94	→ 0.0	↓ -1.0
1Y ROBOR	1.10	→ 0.0	↓ -2.0
5Y CDS	94.94	↓ -4.4	↓ -4.5

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4480	↓ -0.11	↑ 0.03
USD/RON	3.9693	↓ -0.15	↑ 0.39
CHF/RON	4.0981	↑ 0.29	↑ 0.70
100HUF/RON	0.0145	↑ 0.74	↑ 1.32

Sources: Reuters, OTP Research

Summary

- Optimism ruled global financial markets yesterday; the CEE region's currencies strengthened against the EUR; the leu slightly firmed.
- Extremely strong demand characterised yesterday's 2.6Y bond auction.
- The BET inched a bit higher, while global stocks mostly rallied.

Optimism flooded yesterday's trading on global financial markets, after investors' risk appetite was boosted by the earlier decision of the Federal Reserve to keep interest rates unchanged at close to record low levels. Accordingly, the EUR/USD continued to climb upward, while the CEE region's currencies mostly firmed compared to the euro, led by a surge of the Hungarian forint. At the same time, the leu strengthened only marginally versus the common European currency.

Thursday's 2.6Y bond auction drew strong interest from dealers, pushing total demand to almost RON 2.8 bn, which corresponds to a 5.5x bid-to-cover ratio. We suspected that the abundant liquidity conditions together with the positive market sentiment, triggered by recent monetary policy actions may lead to healthy demand. Nonetheless, the subscribed amount exceeded our expectations. On the back of the robust interest and as the Ministry of Finance was reluctant to borrow more than planned, the average accepted yield eased to 1.39%, versus 1.57% at the previous auction with the same ISIN in August. Simultaneously, the yield curve became less steep, as benchmark rates eased by 2-5 basis points at the medium- and long-term maturities.

On Thursday, stock markets finished in green zone on both sides of the Atlantic. In Europe Germany's DAX rallied 2.3%, while the S&P500, one of the key equity indices of the USA added 0.7%. On the other hand, the BET underperformed its global peers and pointed to an only 0.1% gain.

Today the NBR will publish monetary statistics, including non-government loan and deposit data for August, which could provide further insight about the impact of the mortgage-debt-to-asset law.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
20-Sep	Tuesday	no data			
21-Sep	Wednesday	no data			
22-Sep	Thursday	August	New commercial vehicle registrations (YoY%)	18.4	7.4
23-Sep	Friday	August	M3 (broad money, YoY%)		13.3
		August	Non-government loans (YoY%)		1.8
		August	Non-government deposits (YoY%)		12.2
26-Sep	Monday	no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		21-Sep-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.9774	↑ 2.37	↑ 5.59	↑ 7.24		
OTP Obligatiuni	RON	14.6878	↑ 0.34	↑ 3.02	↑ 3.97		
OTP ComodisRO	RON	17.0478	↑ 0.12	↑ 1.07	↑ 1.47		
OTP Euro Bond	EUR	12.7057	↑ 0.29	↑ 2.44	↑ 2.91		
OTP Dollar Bond	USD	10.8569	↑ 0.20	↑ 2.73	↑ 2.90		
OTP Premium Return	RON	11.0599	↑ 1.00	↑ 3.19	↑ 4.65		
OTP Euro Premium Return	EUR	9.9898	↑ 0.72	↑ 1.60	n.a.		
OTP Global Mix	RON	10.4746	↑ 0.10	↑ 4.75	n.a.		

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