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Daily Report – Romania

Date: 28.09.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,946.93	↑ 0.49	↓ -1.27
BET-TR	8,581.39	↑ 0.49	↓ -1.27
BET-FI	29,085.28	↓ -0.21	↓ -0.50
BET-XT	628.41	↑ 0.39	↓ -1.21
TLV	2.4000	↑ 1.27	→ 0.00
EL	13.7400	↓ -0.87	↓ -0.58
FP	0.8000	↓ -0.12	↓ -0.25
SNG	23.0000	↑ 1.32	↓ -3.16
COTE	75.8000	↑ 1.34	↑ 1.88

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.42	→ 0.0	↓ -0.5
12 month	0.51	↓ -0.5	↓ -1.0
3 year	1.38	↓ -1.5	↓ -8.0
5 year	2.08	↓ -1.0	↓ -6.5
10 year	2.83	↓ -1.5	↓ -12.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.2Y	RON 500 mn	RON 645 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.45	↓ -1.0	↑ 2.0
3M ROBOR	0.70	↑ 2.0	↓ -1.0
6M ROBOR	0.93	↑ 1.0	↓ -1.0
1Y ROBOR	1.09	↑ 2.0	↓ -1.0
5Y CDS	94.94	→ 0.0	↓ -4.4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4489	↓ 0.00	↓ -0.09
USD/RON	3.9662	↓ -0.02	↓ -0.23
CHF/RON	4.0853	↓ -0.02	↓ -0.02
100HUF/RON	0.0145	↓ -0.01	↑ 0.16

Sources: Reuters, OTP Research

Summary

- Romania borrowed EUR 1 bn from international markets via Eurobonds maturing in 2028.
- The EUR/RON remained practically flat on Wednesday.
- Equities performed well yesterday, after OPEC's agreement to freeze oil production triggered a rally on the market of crude.

The Ministry of Finance tapped international markets, borrowing EUR 1 bn through government securities maturing in 2028. The yield stood at only 2.15%, significantly lower than the initial target price of 2.30%, probably on the back of healthy demand.

Yesterday the RON-denominated reference rates for government securities eased 1-2 basis points with the exception of the yield on the 6M papers, which was unchanged at 0.42% (mid yield).

On Wednesday, the leu finished another motionless day, ending close to 4.45 against the EUR. The other currencies of the CEE region also had a relatively calm day, with the Hungarian forint closing broadly flat and the Polish zloty weakening modestly compared to the euro. Simultaneously, the EUR/USD remained near 1.12.

Stock markets were inspired by a surge in crude oil prices, after OPEC countries unexpectedly reached an agreement to freeze oil production at 32.5 million barrel per day. The key Western European indices gained 0.6%-0.8%, while their US peers also inched higher by 0.2%-0.6%. Romanian equities benefited from the improved sentiment, with the BET advancing 0.5%, after banking shares performed quite well and Romgaz also grew nicely. On the other hand, the BET's investment fund index, the BET-FI slipped slightly (-0.2%).

Today economic sentiment and consumer confidence indices will see the light of day.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
26-Sep	Monday	no data			
27-Sep	Tuesday	no data			
28-Sep	Wednesday	no data			
29-Sep	Thursday	September	Economic Sentiment Indicator		104.2
			Consumer Confidence Indicator		-19.5
30-Sep	Friday	August	ILO unemployment rate (% , seasonally adjusted)		6.1
		August	Licenses for residential buildings (YoY%)		10.1
		September	Base rate decision (%)	1.75	1.8

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		27-Sep-16					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	8.9273	↑	0.42	↑	5.00	↑ 6.28
OTP Obligatiuni	RON	14.7113	↑	0.43	↑	3.18	↑ 4.14
OTP ComodisRO	RON	17.0516	↑	0.12	↑	1.09	↑ 1.48
OTP Euro Bond	EUR	12.7241	↑	0.37	↑	2.59	↑ 3.12
OTP Dollar Bond	USD	10.8661	↑	0.23	↑	2.82	↑ 3.31
OTP Premium Return	RON	11.0432	↑	0.99	↑	3.04	↑ 4.47
OTP Euro Premium Return	EUR	9.9871	↑	0.57	↑	1.57	n.a.
OTP Global Mix	RON	10.4467	↓	-0.14	↑	4.48	n.a.

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