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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,897.37	↑ 0.56	↓ -0.66
BET-TR	8,520.14	↑ 0.56	↓ -0.66
BET-FI	28,766.34	↑ 0.17	↓ -0.51
BET-XT	622.83	↑ 0.55	↓ -0.72
FP	0.8050	↓ -0.25	↑ 0.37
SNP	0.2300	↑ 1.77	↓ -2.75
TLV	2.4300	↑ 0.83	→ 0.00
EL	13.5400	↑ 0.89	↓ -0.73
SIF5	1.5000	↑ 0.81	↓ -1.45

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.43	↓ -0.5	↑ 0.5
12 month	0.54	→ 0.0	↑ 0.5
3 year	1.39	↓ -0.5	→ 0.0
5 year	2.16	→ 0.0	↑ 0.5
10 year	2.97	↑ 2.0	↑ 4.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	7.5Y	RON 300 mn	
Thursday	4.4Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.44	→ 0.0	↑ 1.0
3M ROBOR	0.68	↓ -1.0	↓ -1.0
6M ROBOR	0.92	↓ -1.0	→ 0.0
1Y ROBOR	1.08	→ 0.0	→ 0.0
5Y CDS	96.27	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5089	↑ 0.19	↓ -0.10
USD/RON	4.1096	↑ 0.97	↑ 2.08
CHF/RON	4.1494	↑ 0.56	↑ 0.65
100HUF/RON	0.0147	↓ -0.02	↓ -0.46

Sources: Reuters, OTP Research

Summary

- Similarly to other currencies of the CEE region, the leu weakened against both the EUR and the USD on Friday; this week, the CHF conversion law may come into focus again.
- The MoF aims to borrow RON 300 mn today.
- Stock markets performed well in Bucharest, in line with the leading indices of Europe.

On Friday, the RON depreciated versus the EUR, but this weakness was not an exception in the CEE region, as both the Polish zloty and the Hungarian forint showed similar movements. Simultaneously, the EUR/USD dipped lower, breaking the 1.1 support level, as expectations about an increase of the key interest rates by year-end continued to firm.

This week, there are little macroeconomic data to be released on the domestic front, hence investors primarily may focus on the parliamentary vote on the CHF conversion law, which is scheduled for Tuesday.

Today the Ministry of Finance puts up for sale RON 300 mn in 7.5Y bonds.

After their Thursday's losses, equity markets recorded nice gains in Europe on the last trading day of the week, fuelled by a rally in the banking sector and mining stocks. The improved sentiment was also supported by favourable economic data from China, as consumer price inflation increased more rapidly than expected. This came after Thursday's disappointing statistics on external trade evolutions in the world's second largest economy. At the end of the day, Germany's DAX was up by 1.6% and the French CAC 40 marched 1.5% higher. The optimism was felt in Bucharest too, lifting the BET index 0.6% higher. Nevertheless, the shares of Banca Transilvania and Fondul Proprietatea closed in negative territory, pointing to 0.9% and 0.3% losses. Banking shares were under selling pressure, after the approval of the CHF conversion bill became very likely. Trading started well in the USA too, but the optimism faded somewhat and the benchmark indices barely changed on Friday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
12-Oct	Wednesday	August	Construction works (YoY%)	-5.3	-1.6
		August	Industrial production (YoY%)	5.2	-3.4
13-Oct	Thursday	August	Wholesale turnover index (YoY%)	15.1	5.1
		August	Turnover of market serv. rendered mainly to enterp. (YoY%)	13.0	8.2
14-Oct	Friday	August	CA balance (EUR mn, YTD)	-2,110	-2,157
		September	New passenger car registrations (YoY%)	62.7	68.6
17-Oct	Monday		no data		
18-Oct	Tuesday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		13-Oct-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.9281	↓ -0.13	↑	5.01	↑	6.74
OTP Obligatiuni	RON	14.6890	↑ 0.07	↑	3.03	↑	3.60
OTP ComodisRO	RON	17.0669	↑ 0.14	↑	1.18	↑	1.50
OTP Euro Bond	EUR	12.6991	↑ 0.01	↑	2.39	↑	2.76
OTP Dollar Bond	USD	10.8509	↑ 0.03	↑	2.68	↑	2.80
OTP Premium Return	RON	11.0595	↑ 0.99	↑	3.19	↑	4.48
OTP Euro Premium Return	EUR	9.9747	↑ 0.05	↑	1.44		n.a.
OTP Global Mix	RON	10.5137	↑ 0.89	↑	5.15		n.a.

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