

Date: 20.10.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,908.27	↑ 0.44	↑ 0.72
BET-TR	8,533.59	↑ 0.44	↑ 0.72
BET-FI	28,866.28	↓ -0.26	↑ 0.52
BET-XT	624.64	↑ 0.32	↑ 0.84
TLV	2.3850	↑ 0.63	↓ -1.04
EL	13.4200	↓ -0.30	→ 0.00
SNP	0.2375	↑ 1.93	↑ 5.09
FP	0.8060	↑ 0.25	↓ -0.12
TEL	29.0000	↑ 0.69	↓ -0.68

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.43	→ 0.0	→ 0.0
12 month	0.55	→ 0.0	↑ 1.0
3 year	1.39	↓ -0.5	→ 0.0
5 year	2.15	↓ -3.0	↓ -1.5
10 year	3.01	↓ -2.0	↑ 5.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	7.5Y	RON 300 mn	RON 283 mn
Thursday	4.4Y	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.44	→ 0.0	→ 0.0
3M ROBOR	0.70	→ 0.0	↑ 1.0
6M ROBOR	0.94	↑ 1.0	↑ 1.0
1Y ROBOR	1.08	→ 0.0	→ 0.0
5Y CDS	95.83	→ 0.0	↓ -0.4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5015	↑ 0.06	↑ 0.02
USD/RON	4.1193	↑ 0.51	↑ 1.21
CHF/RON	4.1500	↑ 0.16	↑ 0.58
100HUF/RON	0.0146	↓ -0.02	↓ -0.61

Sources: Reuters, OTP Research

Summary

- The ECB left its monetary policy on hold yesterday; the Governing Council did not discuss any tapering measures, President Draghi said.
- Europe's shared currency lost ground on the news; causing the RON to also weaken against the US dollar.
- The MoF borrowed RON 500 mn via bonds maturing in March 2021.
- The BET inched up 0.4%, similarly to its European peers.

The monetary policy meeting of the European Central Bank, as well as President Mario Draghi's press conference came into the spotlight yesterday. In line with the expectations, the Governing Council of the ECB decided to keep its key interest rates unchanged on Thursday, while the value of the monthly asset purchases remained at EUR 80 bn too. The decisions caused waves on financial markets, but the words of ECB chief Draghi that the council did not discuss a tapering of its bond purchases boosted optimism among traders. Earlier there were some rumours on the market that tapering could be on the agenda as well. The news pushed the EUR/USD down, with the pair hitting its lowest level since the beginning of March. At the same time, the EUR/RON posted only modest changes yesterday, causing Romania's leu to lose significant ground against the US dollar.

With nine primary dealers participating in yesterday's government security auction, the Ministry of Finance borrowed RON 500 mn via 4.4Y bonds at an average yield of 2.14%, two basis points higher than at a similar auction a month before. The demand was relatively healthy, after the subscribed amount reached almost RON 1,054 mn.

Simultaneously, government securities' yields at the medium and long-term maturities eased by 1-3 basis points, while at shorter papers remained practically flat. Money market rates were barely changed yesterday.

European stock markets had a choppy session yesterday, but mostly ended in positive territory, fuelled by the comments of Mr Draghi. Nevertheless, the main US equity benchmarks were dragged down in the red by a sharp drop in crude oil futures. Romania's BET followed its Western European peers to close up by 0.4% on good volumes.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
18-Oct	Tuesday		no data		
19-Oct	Wednesday		no data		
20-Oct	Thursday		no data		
21-Oct	Friday	September	New commercial vehicle registrations (YoY%)	8.3	18.4
24-Oct	Monday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		19-Oct-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.9807	↑ 0.56	↑	5.63	↑	7.45
OTP Obligatiuni	RON	14.6968	↑ 0.08	↑	3.08	↑	3.58
OTP ComodisRO	RON	17.0702	↑ 0.14	↑	1.20	↑	1.49
OTP Euro Bond	EUR	12.7032	↓ -0.01	↑	2.42	↑	2.69
OTP Dollar Bond	USD	10.8561	↓ 0.00	↑	2.72	↑	2.64
OTP Premium Return	RON	11.0669	↑ 0.99	↑	3.26	↑	4.46
OTP Euro Premium Return	EUR	9.9806	↓ -0.04	↑	1.50		n.a.
OTP Global Mix	RON	10.5555	↑ 1.08	↑	5.56		n.a.

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