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Daily Report – Romania

Date: 21.10.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,862.03	↓ -0.67	↓ -0.51
BET-TR	8,476.47	↓ -0.67	↓ -0.51
BET-FI	28,902.98	↑ 0.13	↑ 0.47
BET-XT	621.12	↓ -0.56	↓ -0.27
FP	0.8060	→ 0.00	↑ 0.12
TLV	2.3750	↓ -0.42	↓ -2.26
BRD	10.8600	↓ -3.04	↓ -0.37
EL	13.4200	→ 0.00	↓ -0.89
SNG	23.4000	↓ -0.21	↑ 1.08

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.43	↓ -0.5	→ 0.0
12 month	0.55	↓ -0.5	↑ 0.5
3 year	1.38	↓ -1.5	↓ -1.0
5 year	2.13	↓ -2.0	↓ -3.5
10 year	2.98	↓ -2.5	↑ 1.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.2Y	RON 500 mn	
Thursday	2.3Y	RON 600 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	↑ 2.0
6M ROBOR	0.94	→ 0.0	↑ 2.0
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	4.5071	↑ 0.12	↓ -0.04
USD/RON	4.1414	↑ 0.54	↑ 0.77
CHF/RON	4.1685	↑ 0.45	↑ 0.46
100HUF/RON	0.0146	↓ -0.30	↓ -0.89

Sources: Reuters, OTP Research

Summary

- Against the common European currency, the RON weakened only marginally, but compared to the USD Romania's leu lost more ground.
- The Constitutional Court may discuss the debt discharge law on Tuesday.
- The MoF puts up for sale RON 500 mn debt via 6.2Y bonds.
- On Friday, the BET ended lower, while its components showed a mixed bag.

In line with the other CEE region's currencies, Romania's leu weakened slightly against the euro on Friday, while Europe's common currency lost further ground compared to the US dollar. The weakness of the EUR was also fuelled by the recent statements of ECB chief Mario Draghi, who suggested that extra loose monetary conditions are set to stay.

Among others, non-government credit and deposit statistics for September as well as October's economic sentiment indicator will see the light of day this week. Nonetheless, the Constitutional Court could also come into the spotlight on Tuesday, as it will discuss the controversial giving in payment law, according to its calendar.

On the penultimate government security auction of the month, the Ministry of Finance aims to borrow RON 500 mn via bonds maturing in December 2022. At the previous auction with the same ISIN, the average accepted yield stood at 2.53%.

The main European equity indices ended Friday's session with small changes. The focus was primarily on corporate earnings updates, while investors still digested the messages of ECB president Mario Draghi, scattered a day earlier. At the same time, Romania's BVB finished a hectic day, after the BET's component showed quite diverse trends. Nuclearelectria edged up 2.1%, pointing to the largest gain, but banking shares, led by the BRD (-3.0%) fell and OMW Petrom (-2.1%) also recorded losses. Simultaneously, Fondul Proprietatea and Electrica finished flat on daily basis. The main US stock benchmarks moved in different directions, while only company reports brought some reason for excitement.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
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			
25-Oct	Tuesday	September	M3 (broad money, YoY%)		12.7
		September	Non-government loans (YoY%)		0.7
		September	Non-government deposits (YoY%)		11.8

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		20-Oct-16					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	9.0097	↑	0.81	↑	5.97	↑ 8.74
OTP Obligatiuni	RON	14.7009	↑	0.09	↑	3.11	↑ 3.60
OTP ComodisRO	RON	17.0707	↑	0.14	↑	1.21	↑ 1.49
OTP Euro Bond	EUR	12.7074	↑	0.02	↑	2.46	↑ 2.72
OTP Dollar Bond	USD	10.8555	↓	-0.01	↑	2.72	↑ 2.63
OTP Premium Return	RON	11.0740	↑	0.99	↑	3.32	↑ 4.61
OTP Euro Premium Return	EUR	9.9895	↑	0.08	↑	1.59	n.a.
OTP Global Mix	RON	10.5761	↑	1.13	↑	5.77	n.a.

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