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Daily Report – Romania

Date: 25.10.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,793.04	↓ -0.88	↓ -0.75
BET-TR	8,391.24	↓ -0.88	↓ -0.75
BET-FI	28,723.09	↓ -0.31	↓ -0.53
BET-XT	615.35	↓ -0.80	↓ -0.72
TLV	2.3000	↓ -2.54	↓ -2.95
EL	13.4200	↓ -0.74	↓ -0.45
SNP	0.2300	↓ -0.65	↑ 0.44
FP	0.8050	→ 0.00	↑ 0.50
SNG	23.3000	↓ -0.43	→ 0.00

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.41	↓ -1.0	↓ -2.0
12 month	0.54	↓ -0.5	↓ -2.0
3 year	1.37	↓ -1.0	↓ -3.5
5 year	2.11	↓ -0.5	↓ -6.5
10 year	2.96	↓ -0.5	↓ -7.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.2Y	RON 500 mn	RON 500 mn
Thursday	2.3Y	RON 600 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.52	↑ 1.0	↑ 10.0
3M ROBOR	0.69	↓ -1.0	→ 0.0
6M ROBOR	0.93	↓ -1.0	→ 0.0
1Y ROBOR	1.08	→ 0.0	→ 0.0
5Y CDS	95.83	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4925	↓ -0.29	↓ -0.28
USD/RON	4.1261	↓ -0.36	↑ 0.57
CHF/RON	4.1494	↓ -0.44	↑ 0.18
100HUF/RON	0.0145	↓ -0.33	↓ -0.91

Sources: Reuters, OTP Research

Summary

- The EUR/RON dipped lower yesterday, after news on the government's decision to challenge the CHF conversion bill fuelled the rally of the leu.
- In the period of January-September, the government budget recorded 0.5% deficit.
- Non-government credit advanced 1.2% YoY in September, the NBR said yesterday.
- Stocks finished mostly in the red, with the BET sliding 0.9%.

On Tuesday, Romania's leu showed the best performance in the CEE region, gaining around 0.3% against the EUR, after the government decided to challenge the Swiss franc conversion bill at the Constitutional Court. The leu also appreciated compared to the USD.

The balance of the government budget pointed to RON 3.7 bn deficit (0.5% of GDP) in the period of January-September, as public revenues eased by 2.0% YoY, to RON 165.8 bn and expenses advanced 4.0% YoY, reaching RON 169.5 bn, a report of the Ministry of Finance revealed recently. In the same period of the previous year, the government budget registered RON 6.2 bn surplus (0.9% of GDP).

In September, non-government loans increased by 1.2% YoY (and by 0.8% YoY on FX adjusted basis, according to our in-house estimation), up from August's 0.7% YoY. RON-denominated credit expanded 13.2% YoY, fuelled primarily by households' loans (+27.7% YoY). In MoM terms, RON credits added 1.8% in the case of households and 0.7% at non-financial corporations.

Tuesday's trading sentiment on global equity markets was mostly pessimistic. In Europe, Italian banks suffered from significant selling pressures and in France, the CAC 40 index also dipped 0.3%. Nonetheless, Frankfurt's DAX ended practically flat, after an encouraging report on German business sentiment helped the benchmark. On the other side of the Atlantic, the leading US indices closed in negative territory, pointing to losses in the range of 0.3%-0.5% on the back of weaker consumer confidence and easing oil prices, while the uncertainties around the forthcoming presidential elections and the perspective of the Fed's monetary policy most likely also weighed on the market. At the same time, Romanian equities retreated as well, with the BET falling 0.9% yesterday, as only the shares of the BVB (+0.7%) and the Transgaz (+0.3%) were able to go up among the benchmark's ten components.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
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%)	12.2	12.7
		September	Non-government loans (YoY%)	1.2	0.7
		September	Non-government deposits (YoY%)	11.1	11.8
26-Oct	Wednesday		no data		
27-Oct	Thursday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		24-Oct-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.9966	↑ 0.25	↑	5.81	↑	7.15
OTP Obligatiuni	RON	14.7065	↑ 0.01	↑	3.15	↑	3.56
OTP ComodisRO	RON	17.0728	↑ 0.14	↑	1.22	↑	1.49
OTP Euro Bond	EUR	12.7109	↓ -0.09	↑	2.48	↑	2.71
OTP Dollar Bond	USD	10.8613	↓ -0.03	↑	2.77	↑	2.54
OTP Premium Return	RON	11.0791	↑ 0.99	↑	3.37	↑	4.25
OTP Euro Premium Return	EUR	10.0033	↑ 0.11	↑	1.74		n.a.
OTP Global Mix	RON	10.6003	↑ 1.20	↑	6.01		n.a.

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