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Daily Report – Romania

Date: 27.10.2016

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	6,838.37	↑ 0.83	↓ -1.01	
BET-TR	8,447.23	↑ 0.83	↓ -1.01	
BET-FI	28,746.38	↑ 0.35	↓ -0.42	
BET-XT	619.04	↑ 0.77	↓ -0.90	
FP	0.8060	↑ 0.25	↔ 0.00	
EL	13.4200	↓ -0.30	↔ 0.00	
TLV	2.3000	↑ 1.10	↓ -3.56	
SNG	23.3000	↔ 0.00	↓ -0.64	
SNP	0.2315	↑ 1.98	↓ -2.53	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	0.43	↑ 1.0	↓ -0.5	
12 month	0.54	↑ 0.5	↓ -1.5	
3 year	1.38	↑ 0.5	↓ -1.0	
5 year	2.12	↑ 1.5	↓ -2.5	
10 year	2.98	↑ 2.5	↓ -2.5	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	6.2Y	RON 500 mn	RON 500 mn
Thursday	2.3Y	RON 600 mn	RON 600 mn

MONEY MARKET				
	Rate (%/bp)	Daily chg. (bp)	Weekly chg. (bp)	
ON ROBOR	0.62	↓ -1.0	↑ 18.0	
3M ROBOR	0.73	↑ 1.0	↑ 3.0	
6M ROBOR	0.95	↔ 0.0	↑ 1.0	
1Y ROBOR	1.09	↑ 1.0	↑ 1.0	
5Y CDS	95.83	↔ 0.0	↔ 0.0	

FX MARKET				
	Rate	Daily chg. (%)	Weekly chg. (%)	
EUR/RON	4.5015	↑ 0.05	↔ 0.00	
USD/RON	4.1310	↑ 0.19	↑ 0.28	
CHF/RON	4.1575	↑ 0.18	↑ 0.18	
100HUF/RON	0.0145	↓ -0.03	↓ -0.67	

Sources: Reuters, OTP Research

Summary

- The EUR/RON was barely changed yesterday.
- In September, new building permits advanced by 15.9% YoY.
- Debt managers sold the planned RON 600 mn in the last auction of October.
- The yield curve shifted up on Thursday.
- The BET outperformed its European peers yesterday.

On Thursday, the CEE region's currencies tended to lose some ground against the euro, with the EUR/RON finishing close to 4.50.

The Constitutional Court refused one of the contestations sent by banks in relation to the highly disputed debt discharge law. The other requests will be discussed later, on 17 November, according to press information.

The number of new building permits increased by 15.9% YoY in September, up from August's 16.7% YoY drop, the NIS said this morning. Today economic sentiment and consumer confidence indicators will see the light of day.

Primary dealers subscribed for RON 1,528.3 mn on the yesterday's government bond auction, lifting the bid-to-cover ratio to around 2.5x. In the presence of the healthy demand, the Ministry of Finance sold successfully the planned amount of RON 600 mn at 1.22% average yield. Excluding the non-competitive sessions of the auctions, debt managers borrowed around RON 3.4 bn via government securities in October.

At the same time, the yield curve shifted up by 1-3 basis points yesterday, according to the benchmark reference rates, published also by the NBR. Meanwhile, the ROBOR 3M climbed to 0.73%, up from 0.72% a day earlier.

Romanian stocks fared quite well on Thursday, outperforming their Western European rivals, with the BET rising 0.8% to 6,838 points. The nice gain of the benchmark was fuelled among others by the shares of the BRD and OMW Petrom, after both rallied 2.0%. Simultaneously, Banca Transilvania (+1.1%) and Transgaz (+1.0%) also finished well. On the other hand, Transelectrica and the shares of BVB shed 0.5% and 0.3% respectively. The leading indices of Europe ended a choppy session yesterday, wobbling between small losses and gains, as investors digested fresh company earnings reports. Nevertheless, London's FTSE 100 advanced 0.4% on better-than-expected Q3 GDP data for the UK. Trading in the USA was more pessimistic, with the key benchmarks posting losses between 0.2% and 0.7%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
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			
28-Oct	Friday	September	Licenses for residential buildings (YoY%)	15.9	-16.7
		October	Economic Sentiment Indicator		103.5
		October	Consumer Confidence Indicator		-20.0
31-Oct	Monday	no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		26-Oct-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.9472	↑ 0.13	↑ 5.23	↑ 6.58		
OTP Obligatiuni	RON	14.7053	↓ -0.02	↑ 3.14	↑ 3.49		
OTP ComodisRO	RON	17.0739	↑ 0.13	↑ 1.23	↑ 1.49		
OTP Euro Bond	EUR	12.7086	↓ -0.11	↑ 2.47	↑ 2.66		
OTP Dollar Bond	USD	10.8594	↓ -0.06	↑ 2.76	↑ 2.48		
OTP Premium Return	RON	11.0612	↑ 0.99	↑ 3.20	↑ 4.03		
OTP Euro Premium Return	EUR	9.9880	↓ -0.06	↑ 1.58	n.a.		
OTP Global Mix	RON	10.5526	↑ 1.01	↑ 5.53	n.a.		

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