

## Headquarter Treasury Sales

**Alexandru Tibuleac**

0372 31 85 85  
alexandru.tibuleac@otpbank.ro

**Cristian Ilie**

0372 31 85 86  
ilie.cristian@otpbank.ro

**Corina Bejan**

0372 31 85 84  
corina.bejan@otpbank.ro

**Andreea Nica**

0755 000 106  
andreea.nica@otpbank.ro

## Regional Treasury Sales

**Szilamer Kozma - Cluj**

0755 000 400  
szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**

0755 000 199  
tudor.zaman@otpbank.ro

**Alexandru Sabin - Arad**

0730 577 959  
alexandru.sabin@otpbank.ro



# Daily Report – Romania

Date: 02.11.2016

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,794.86	↓ -0.71	↑ 0.19
BET-TR	8,393.49	↓ -0.71	↑ 0.19
BET-FI	28,604.23	↓ -0.47	↓ -0.14
BET-XT	614.87	↓ -0.67	↑ 0.09
TLV	2.3200	↓ -1.69	↑ 1.98
SNG	23.4000	↓ -0.21	↑ 0.43
FP	0.8040	↓ -0.12	→ 0.00
SNP	0.2240	↓ -1.10	↓ -1.32
TEL	29.1000	↑ 0.34	↓ -0.68

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.44	↑ 0.5	↑ 2.0
12 month	0.56	→ 0.0	↑ 2.5
3 year	1.38	↓ -0.5	→ 0.0
5 year	2.16	↑ 1.5	↑ 5.0
10 year	3.05	↑ 1.5	↑ 9.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Thursday	6.1Y	RON 400 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.59	↓ -3.0	↓ -4.0
3M ROBOR	0.73	→ 0.0	↑ 1.0
6M ROBOR	0.94	→ 0.0	↓ -1.0
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	4.4980	↓ -0.17	↓ -0.03
USD/RON	4.0541	↓ -0.50	↓ -1.67
CHF/RON	4.1702	↓ -0.11	↑ 0.48
100HUF/RON	0.0146	↓ -0.18	↑ 0.29

Sources: Reuters, OTP Research

**Summary**

- In September, Romania's unemployment rate hit another post-crisis low at 5.9%.
- The EUR/RON was traded in a tight range again, finishing the day slightly lower.
- Today the Ministry of Finance aims to sell 6.1Y bonds in value of RON 400 mn.
- US election worries weighed on global equity markets; the negative sentiment was felt on the BVB too.

September's unemployment rate stood at 5.9%, 0.1 percentage point lower than in August, the NIS said today. This latest level is a new record low since the outburst of the financial crisis, suggesting that the labour market started to tighten further.

Tomorrow the Board of the NBR will keep its last monetary policy meeting in 2016. Policy makers are most likely to keep rates on hold.

Investor worries on US political developments intensified yesterday, as nominee Hillary Clinton's lead in polls seemingly continued to narrow ahead of the 8 November election day, while oil futures dropped further, after crude inventories sharply expanded at the end of October, according to a report of the US Energy Information Administration. Meanwhile, the Fed decided to leave its benchmark interest rates unchanged on Wednesday, as expected. Under these conditions, the US dollar continued to lose ground against the common European currency. Nevertheless, Romania's leu strengthened modestly compared to the euro.

Today the Treasury will organize the first government security auction of the month, by putting up for sale RON 400 mn via 6.1Y bonds. At the previous transaction with the same ISIN, the average accepted yield stood at 2.65%. In November, the Treasury aims to sell papers in value of RON 3.3 bn, according to the fresh issuance calendar. This level is the lowest targeted amount of the year and leaves behind the borrowed amount of RON 3.7 bn (including non-competitive sessions) in October.

On Wednesday, the yields on the 5Y and the 10Y maturities moved up by 2 basis points, while at the shorter maturities, they registered less variation. At the same time, ROBOR rates barely changed yesterday.

In Bucharest, the key stock indices fell in line with their Western European and US peers.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
31-Oct	Monday	no data				
1-Nov	Tuesday	October	FX Reserves, EUR bn	34.3	33.3	
2-Nov	Wednesday	September	Tourists' overnight stays (YoY%)	10.1	9.7	
		September	Producer Price Index (YoY%)	-1.5	-1.9	
3-Nov	Thursday	September	ILO unemployment rate (% , seasonally adjusted)	5.9	6.0	
4-Nov	Friday	November	Base rate decision (%)		1.75	1.75

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		1-Nov-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	8.9707	↑ 0.23	↑ 5.51	↑ 6.41		
OTP Obligatiuni	RON	14.6879	↓ -0.18	↑ 3.02	↑ 3.31		
OTP ComodisRO	RON	17.0766	↑ 0.14	↑ 1.24	↑ 1.48		
OTP Euro Bond	EUR	12.6848	↓ -0.35	↑ 2.27	↑ 2.44		
OTP Dollar Bond	USD	10.8540	↓ -0.12	↑ 2.70	↑ 2.52		
OTP Premium Return	RON	11.0725	↑ 0.99	↑ 3.31	↑ 3.68		
OTP Euro Premium Return	EUR	9.9435	↓ -0.34	↑ 1.13	n.a.		
OTP Global Mix	RON	10.5188	↑ 0.69	↑ 5.20	n.a.		

**Chief Economist**
**Gergely Tardos**

+36 1 3747273

[tardosg@otpbank.hu](mailto:tardosg@otpbank.hu)
**Analyst**
**Csaba Bálint**

+4021 3075896

[csaba.balint@otpbank.ro](mailto:csaba.balint@otpbank.ro)

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