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Daily Report – Romania

Date: 02.12.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,948.28	↑ 1.67	↑ 1.61
BET-TR	8,582.98	↑ 1.67	↑ 1.61
BET-FI	29,072.57	↑ 1.10	↑ 1.21
BET-XT	629.22	↑ 1.53	↑ 1.57
FP	0.7980	↑ 1.53	↑ 0.88
TLV	2.3900	↑ 1.70	↑ 1.27
BRD	11.1200	↑ 2.02	↑ 1.09
SNP	0.2395	↑ 4.13	↑ 5.74
SNG	24.5500	↑ 1.45	↑ 1.87

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.67	↑ 2.5	↑ 6.5
12 month	0.83	↑ 4.0	↑ 6.5
3 year	1.53	↑ 2.5	↑ 2.0
5 year	2.43	↑ 3.5	↑ 0.0
10 year	3.48	↑ 6.5	↑ 7.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.0Y	RON 300 mn	
Thursday	3.2Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.53	↓ -1.0	↑ 4.0
3M ROBOR	0.79	↓ -1.0	↓ -2.0
6M ROBOR	1.04	→ 0.0	↑ 2.0
1Y ROBOR	1.15	→ 0.0	→ 0.0
5Y CDS	99.39	↓ 0.0	↓ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5120	↓ -0.03	↓ -0.06
USD/RON	4.2301	↓ -0.08	↓ -0.69
CHF/RON	4.1853	↑ 0.06	↓ -0.39
100HUF/RON	0.0144	↑ 0.15	↓ -0.95

Sources: Reuters, OTP Research

Summary

- Italy's Prime Minister Matteo Renzi announced his resign, after voters rejected the reform proposals on the week-end's referendum; the euro lost ground on the news this morning.
- In November, the NBR's FX reserve marginally grew, to EUR 34.39 bn.
- Retail trade increased modestly in October (+0.5% MoM, SWDA data).
- OMW Petrom surged 4.1% on Friday, boosted by rallying oil prices.

On Friday, the EUR/USD showed little variation amid a cautious trading mood ahead of Italy's referendum. Meanwhile, the CEE region's currencies appreciated slightly against the euro, with the EUR/RON finishing around 4.51, close to its level a day earlier. Nevertheless, the common European currency weakened against the USD this early morning, after "no" votes won by a large margin in Italy, rejecting Prime Minister Matteo Renzi's reform proposals. As a result, Mr Renzi announced that he would resign from his position, pushing the country into an era of increased political uncertainties, with potential negative effects on the country's already weakened banking sector as well as economy. On the other hand, Alexander Van der Bellen, the strongly pro-European candidate won the presidential elections in Austria, providing some relief for those who were concerned about rising euro scepticism.

In November, the foreign exchange reserve of Romania's central bank grew by EUR 40 mn, reaching EUR 34,387 mn. In the same month of the previous year, it stood significantly lower, at EUR 32,104 mn. The modest monthly increase was due to inflows in value of EUR 804 mn, exceeding outflows of EUR 764 mn.

Retail trade, an important proxy for households' consumption, advanced by 0.5% MoM (seasonally and working day adjusted data) and 7.9% YoY (gross data) in October, the National Institute of Romania said this morning. At the same time, tourists' overnight stays increased by 4.7% YoY in October, slowing from September's growth pace of 10.1% YoY. The detailed Q3 GDP statistics will be revealed tomorrow.

Today the Ministry of Finance aims to sell RON 300 mn via 6Y bonds. On Friday, the yield curve shifted up by four basis points on average.

On Friday, Romanian stock markets performed well after the national holidays break. Among the BET's ten components, the largest gain was registered by the shares of OMW Petrom (+4.1%), benefiting from the rallying crude oil prices, following the agreement of the main oil producing countries to cut crude output.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
2-Dec	Friday	October	Producer Price Index (YoY%)	-0.5	-1.5
		November	FX Reserves, EUR bn	34.4	34.3
5-Dec	Monday	October	Retail trade (YoY%)	7.9	9.7
		October	Tourists' overnight stays (YoY%)	4.7	10.1
6-Dec	Tuesday	Q3 2016	Detailed GDP growth rate (YoY%, provisional data 1)		4.4
		October	Construction works (YoY%)		0.7

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		29-Nov-16					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	8.9015	↓ -0.95	↑	4.70	↑	4.51
OTP Obligatiuni	RON	14.6563	↓ -0.24	↑	2.80	↑	2.81
OTP ComodisRO	RON	17.0902	↑ 0.09	↑	1.32	↑	1.45
OTP Euro Bond	EUR	12.6300	↓ -0.49	↑	1.83	↑	1.79
OTP Dollar Bond	USD	10.8227	↓ -0.29	↑	2.41	↑	2.22
OTP Premium Return	RON	11.0820	↑ 0.99	↑	3.40	↑	3.09
OTP Euro Premium Return	EUR	9.9263	↓ -0.48	↑	0.95		n.a.
OTP Global Mix	RON	10.6196	↑ 0.64	↑	6.20		n.a.

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