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Daily Report – Romania

Date: 12.12.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,954.09	↑ 0.86	↑ 0.56
BET-TR	8,590.16	↑ 0.86	↑ 0.56
BET-FI	29,031.81	↓ -0.19	↑ 0.06
BET-XT	629.67	↑ 0.72	↑ 0.48
SNP	0.2430	↑ 3.18	↑ 2.53
TLV	2.3900	↑ 0.63	↑ 0.84
FP	0.7950	→ 0.00	↓ -0.13
EL	13.2800	→ 0.00	→ 0.00
BRD	11.2400	↑ 1.08	↑ 0.72

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.67	↑ 0.5	↓ -1.0
12 month	0.84	↑ 3.0	↑ 0.5
3 year	1.54	↑ 1.0	→ 0.0
5 year	2.42	↑ 2.5	↑ 1.0
10 year	3.53	↑ 3.5	↑ 2.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	4.3Y	RON 500 mn	RON 424.6 mn
Thursday	2.2Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.46	↓ -2.0	↓ -6.0
3M ROBOR	0.80	→ 0.0	→ 0.0
6M ROBOR	1.05	→ 0.0	→ 0.0
1Y ROBOR	1.17	↑ 1.0	→ 0.0
5Y CDS	100.29	↑ 0.9	↑ 0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.4975	↓ -0.09	↓ -0.02
USD/RON	4.2350	↓ -0.67	↑ 1.33
CHF/RON	4.1785	↓ -0.17	↑ 0.65
100HUF/RON	0.0143	↑ 0.37	↓ -0.09

Sources: Reuters, OTP Research

Summary

- The RON gained some small ground against the EUR yesterday.
- The MoF sold less than planned in 4.3Y bonds yesterday.
- Yields on the benchmark government securities rose by 2 bps on average.
- Consumer prices fell by 0.7% YoY in November.
- The BET recorded nice gains, helped by OMW Petrom's 3.2% rally.

November's headline inflation decreased to -0.7% YoY, down from -0.4% YoY a month earlier, undershooting the market expectations as well. On monthly basis, consumer prices increased by 0.1%.

Beyond inflation statistics, external trade data were also released yesterday. According to the fresh report, the import of goods rose by 3.3% YoY in euro terms, and the export of goods added 2.0% YoY in October. This morning, reports on construction works and market services provided to the population will be out.

Ahead of the Fed's two-day long monetary policy meeting, the US dollar weakened modestly against the EUR on Monday, pushing the pair slightly above 1.06. This move came after the last week's rally of the greenback, triggered by the decision of the ECB to extend its asset purchase programme until December 2017. In the morning hours of yesterday's trading session, the leu was under some weakening pressure, but it was able to reverse its earlier losses and finished the day slightly stronger against the euro, in line with the Hungarian forint. At the same time, Poland's zloty depreciated a bit versus the common European currency.

On the first auction after Sunday's parliamentary elections, the Ministry of Finance sold RON 424.6 mn in 4.3Y bonds, below the planned amount of RON 500 mn. The average accepted yield stood at 2.47%, while primary dealers subscribed for RON 560.6 mn.

Government securities' yield shifted up by 1-4 basis points on the first trading day of the week.

On global stock markets, investors were reluctant to take large positions ahead of the Federal Reserve's rate-setting meeting, even though crude oil prices surged. In the USA, the main equity indices finished mixed, while Germany's DAX and the French CAC40 lost 0.1% each. In Bucharest, the BET gained 0.9%, outperforming its rivals, after the shares of OMW Petrom jumped 3.2%, most likely sustained by rising oil futures as well.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
12-Dec	Monday	October	Industrial trade turnover index (YoY%)	2.5		4.3
		October	Index value of new orders in manufacturing (YoY%)	4.9		15.1
	November	Consumer price index (YoY%)	-0.7	-0.5	-0.4	
		October	Exports (FOB, YoY%)	2.0		6.7
		October	Imports (CIF, YoY%)	3.3		6.4
13-Dec	Tuesday	October	Construction works (YoY%)			0.7
		October	Turnover of market serv. provided to the population (YoY%)			7.1

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		9-Dec-16					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	8.9721	↑	0.60	↑	5.53	↑ 5.62
OTP Obligatiuni	RON	14.6558	↓	-0.17	↑	2.79	↑ 2.77
OTP ComodisRO	RON	17.0946	↑	0.08	↑	1.35	↑ 1.43
OTP Euro Bond	EUR	12.6272	↓	-0.36	↑	1.81	↑ 1.80
OTP Dollar Bond	USD	10.8271	↓	-0.19	↑	2.45	↑ 2.29
OTP Premium Return	RON	11.0830	↑	0.99	↑	3.41	↑ 3.30
OTP Euro Premium Return	EUR	9.9291	↑	0.06	↑	0.98	↑ 0.85
OTP Global Mix	RON	10.6805	↑	1.05	↑	6.81	↑ 6.91

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