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Daily Report – Romania

Date: 13.12.2016

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	6,985.06	↑ 0.45	↑ 1.41
BET-TR	8,628.42	↑ 0.45	↑ 1.41
BET-FI	29,020.17	↓ -0.04	↑ 0.59
BET-XT	632.26	↑ 0.41	↑ 1.31
TLV	2.4000	↑ 0.42	↑ 1.05
SNP	0.2475	↑ 1.85	↑ 5.32
TGN	298.0000	↓ -0.33	↓ -0.33
SNG	24.4500	→ 0.00	↑ 0.62
FP	0.7940	↓ -0.13	↑ 0.51

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.67	↑ 0.5	→ 0.0
12 month	0.84	→ 0.0	↑ 1.5
3 year	1.54	→ 0.0	→ 0.0
5 year	2.43	↑ 0.5	↑ 1.5
10 year	3.52	↓ -0.5	↑ 3.0

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	0.47	↑ 1.0	↓ -3.0
3M ROBOR	0.80	→ 0.0	↓ -1.0
6M ROBOR	1.06	↑ 1.0	↑ 1.0
1Y ROBOR	1.17	→ 0.0	→ 0.0
5Y CDS	100.29	→ 0.0	↑ 0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5087	↑ 0.25	↑ 0.15
USD/RON	4.2429	↑ 0.19	↑ 1.05
CHF/RON	4.1910	↑ 0.30	↑ 0.87
100HUF/RON	0.0144	↑ 0.22	↓ -0.23

Sources: Reuters, OTP Research

Summary

- 2017's tax cuts could be postponed, Mr Dragnea said yesterday.
- The Fed may raise its benchmark interest rate today, according to market expectations.
- On Tuesday, the leu finished slightly weaker compared to the euro.
- Construction output was barely changed on annual basis.
- Market services provided to the population lost steam in October.

The leader of leftist Social Democrat Party (PSD), Mr Liviu Dragnea said yesterday that several tax cuts planned for 2017 should be postponed by one year. These would include the one-percentage-point reduction of the standard VAT, the excise duty on fuels and the levy on special buildings. The PSD won Sunday's parliamentary elections by a wide margin and most likely will set up the new government.

On Tuesday, the EUR/USD caused little excitement, as the pair finished the session practically unchanged, after investors followed a wait-and-see approach ahead of the Fed's policy decisions and the publication of the updated economic projections. The two-day long meeting of the Federal Reserve will be concluded by the press conference of Chairwomen Janet Yellen this evening.

In the CEE region, Poland's zloty and the Hungarian forint gained some ground compared to the euro. However, the RON moved into the opposite direction, lifting the pair slightly higher.

In October, construction works advanced 0.7% MoM (seasonally and working day adjusted data) due to the sharp advance of the residential segment. On annual basis, construction works marginally dropped (-0.1% YoY, gross data), after civil engineering (-7.6% YoY) weighed on the broader index.

The turnover index of market services provided to the population increased only 0.5% YoY in October, significantly below the growth rate of 6.8% YoY a month earlier. Today among others, industrial production and wholesale turnover statistics will be published.

Global stock markets pointed to nice gains yesterday, with US shares adding 0.6%-1.0%. In Europe, the news around the restructuring plan of UniCredit helped the benign sentiment, lifting Italian stocks significantly higher. In Romania, the BET went up 0.5%, after the shares of OMW Petrom marched 1.9% higher.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
13-Dec	Tuesday	October	Construction works (YoY%)	-0.1	-1.4
		October	Turnover of market serv. provided to the population (YoY%)	0.5	6.8
14-Dec	Wednesday	October	Turnover of market serv. rendered mainly to enterp. (YoY%)		10.7
		October	Industrial production (YoY%)		3.3
		October	Wholesale turnover index (YoY%)		8.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		12-Dec-16					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	9.0043	↑ 0.39	↑	5.90	↑	7.35
OTP Obligatiuni	RON	14.6560	↓ -0.02	↑	2.80	↑	2.80
OTP ComodisRO	RON	17.0960	↑ 0.08	↑	1.36	↑	1.43
OTP Euro Bond	EUR	12.6285	↓ -0.11	↑	1.82	↑	1.83
OTP Dollar Bond	USD	10.8272	↓ -0.06	↑	2.45	↑	2.34
OTP Premium Return	RON	11.1012	↑ 0.99	↑	3.58	↑	3.96
OTP Euro Premium Return	EUR	9.9369	↑ 0.32	↑	1.06	↑	1.03
OTP Global Mix	RON	10.6975	↑ 1.07	↑	6.98	↑	7.07

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