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Daily Report – Romania

Date: 17.01.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,162.29	↑ 0.28	↓ -1.13
BET-TR	8,847.36	↑ 0.28	↓ -1.13
BET-FI	30,535.34	↓ -0.07	↓ -0.44
BET-XT	651.59	↑ 0.17	↓ -1.28
BRD	11.3000	→ 0.00	↓ -3.25
SNP	0.2800	↑ 0.90	↓ -2.10
TLV	2.2800	↑ 0.88	↓ -2.98
FP	0.8360	↑ 0.36	↑ 2.45
MCAB	5.4200	↓ -13.69	↓ -23.45

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.75	→ 0.0	↑ 5.5
12 month	0.96	→ 0.0	↑ 10.0
3 year	1.57	↓ -1.5	↑ 7.5
5 year	2.48	↓ -2.0	↑ 8.0
10 year	3.40	↓ -8.5	→ 0.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.9Y	RON 300 mn	RON 730.4 mn
Thursday	6M	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.42	↓ -1.0	↓ -2.0
3M ROBOR	0.82	→ 0.0	→ 0.0
6M ROBOR	1.09	↑ 1.0	↑ 2.0
1Y ROBOR	1.24	↑ 1.0	↑ 2.0
5Y CDS	96.27	→ 0.0	↓ -0.5

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5040	↑ 0.04	↑ 0.15
USD/RON	4.2008	↓ -1.09	↓ -1.41
CHF/RON	4.1930	↓ -0.11	↑ 0.08
100HUF/RON	0.0146	↑ 0.13	↑ 0.68

Sources: Reuters, OTP Research

Summary

- Comments from UK Prime Minister Theresa May and US President-elect Donald Trump moved the GBP and the USD; the EUR/RON was traded in a tight range.
- Romania's Constitutional Court may decide about the CHF conversion bill today.
- The BET closed higher (+0.3%), even though global stock markets mostly fell.

The speech of Prime Minister Theresa May about the UK's exit from the European Union was in the focus of investors on Tuesday. Trading sentiment turned quite pessimistic ahead of the much awaited press conference, therefore any good news was perceived with some relief. The outcome of the speech confirmed the expectations that the UK would press for a firm exit from the community of the European Union, with PM May stating Britain does not "seek membership of the single market but the greatest possible access to it". Nonetheless, she also added that the final deal negotiated by British and EU officials would be put to a parliamentary vote and the British would "continue to be reliable partners, willing allies and close friends" with the EU members. On the news, the GBP firmed sharply against the common European currency. At the same time, the greenback lost ground compared to the euro, following the comments of President-elect Mr Trump, indicating that the strong USD hurts the economy.

Meanwhile, the EUR/RON was traded in a narrow range, finishing the day not too far from 4.50. Today the Constitutional Court could come into the spotlight on the domestic front, as it plans to discuss the CHF conversion bill.

The yield curve on Romanian government securities flattened yesterday, with the reference rates easing 2-9 basis points on the medium and long term maturities. The largest fall was seen on the 10Y benchmark bond.

The concerns about "hard Brexit" hurt European stocks yesterday. Nonetheless, the key benchmarks trimmed some of their earlier losses after Theresa May's speech, with the CAC 40 closing 0.4% lower and the German DAX finishing 0.1% down. At the same time, London's FTSE was hit by the strength of the GBP and lost 1.5%. On the other hand, Romania's BET fared relatively well, adding 0.3% yesterday. The movement was sustained first of all by the gains of Banca Transilvania and OMW Petrom (both increased by 0.9%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
13-Jan	Friday	November	Turnover of market serv. provided to the population (YoY%)	-0.9		0.8
		November	Turnover of market serv. rendered mainly to enterp. (YoY%)	10.0		9.4
	November	Wholesale turnover index (YoY%)	10.7		4.4	
	November	Construction works (YoY%)	-13.3		-2.5	
	Q3 2016	Detailed GDP growth rate (YoY%, provisional data 2)	4.3		4.4	
	November	Net wage growth rate (YoY%)	13.2		12.7	
	December	Consumer price index (YoY%)	-0.5	-0.5	-0.7	
	November	CA balance (EUR mn, YTD)	-3,441		-2,919	
	16-Jan	Monday		no data		
	17-Jan	Tuesday	December	New passenger car registrations (YoY%)	6.8	
18-Jan	Wednesday		no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		16-Jan-17					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	9.2714	↑ 1.99	↑	1.38	↑	17.79
OTP Obligatiuni	RON	14.6918	↑ 0.24	↑	0.12	↑	2.86
OTP ComodisRO	RON	17.1130	↑ 0.09	↑	0.05	↑	1.39
OTP Euro Bond	EUR	12.6695	↑ 0.31	↑	0.17	↑	2.05
OTP Dollar Bond	USD	10.8611	↑ 0.29	↑	0.09	↑	2.78
OTP Premium Return	RON	11.1972	↑ 1.00	↑	0.35	↑	6.78
OTP Euro Premium Return	EUR	9.9704	↓ -0.16	↑	0.08	↑	2.03
OTP Global Mix	RON	10.7748	↓ -0.08	↓	-0.19	↑	8.30

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