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# Daily Report – Romania

Date: 30.01.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,484.36	↓ -0.15	↑ 2.67
BET-TR	9,245.20	↓ -0.15	↑ 2.67
BET-FI	31,407.13	↓ -0.22	↑ 1.71
BET-XT	678.43	↓ -0.17	↑ 2.52
SNG	27.4500	↓ -0.18	↑ 3.58
TGN	320.0000	→ 0.00	↑ 7.02
TLV	2.3700	↓ -0.84	↑ 4.41
FP	0.8850	↑ 0.11	↑ 2.43
EL	13.7000	↓ -1.30	↑ 2.70

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.65	↓ -1.5	↓ -9.0
12 month	0.97	↑ 0.5	→ 0.0
3 year	1.71	↑ 3.0	↑ 14.0
5 year	2.63	↑ 3.5	↑ 13.5
10 year	3.62	↑ 5.5	↑ 22.0

**GOV'T BOND AUCTIONS**

Maturity	Auctions	Sold

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.45	↓ -1.0	↑ 5.0
3M ROBOR	0.80	→ 0.0	↓ -2.0
6M ROBOR	1.03	→ 0.0	↓ -3.0
1Y ROBOR	1.21	→ 0.0	↓ -2.0
5Y CDS	94.94	→ 0.0	↓ -1.3

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5005	↓ -0.64	↑ 0.01
USD/RON	4.2079	↓ -0.10	↑ 0.59
CHF/RON	4.2276	↑ 0.11	↑ 0.74
100HUF/RON	0.0145	↑ 0.23	↑ 0.01

Sources: Reuters, OTP Research

**Summary**

- The number of licenses for residential buildings dropped by 1.2% in 2016.
- Economic sentiment improved in January.
- The EUR/RON finished close to 4.50; the 2017 government budget may remain in the focus of interest.
- Yesterday the yield curve got steeper, with the yield on the 10Y maturity increasing 6 bps.
- Trump administration's immigration order left its mark on stock markets; on the domestic front, the shares of SNN and TEL surged further.

The number of new permits for residential buildings fell 12.3% YoY in December, after November's 0.8% YoY drop, the National Institute of Statistics said yesterday. Meanwhile, taking into account not only December's data but those for the entire year as well, the number of new licenses decreased by 1.2%. Nevertheless, based on the useful floor area there was a quite healthy increase in 2016 (+13.1%, to around 8.91 mn square metres), which provides a more favourable picture about the outlook of the construction sector.

Romania's economic sentiment indicator started 2017 on the right foot, increasing by 1.2 points, to 105.0 in January, the European Commission's data showed. The improvement primarily was due to stronger consumer confidence and strengthening optimism in the case of the services sector.

The EUR/RON was traded slightly lower, broadly in line with other currencies of the CEE region. Today the news regarding the 2017 government budget could remain in the focus of investors.

The yield curve of government securities became steeper on Monday, with the reference rate on the 6M easing two basis points and with the yield on the 10Y benchmark rising the most (+6 bps).

Stock markets were under selling pressure on Monday, after the Trump administration banned citizens of seven Muslim-majority countries in the Middle East from entering the USA. In Western Europe, the key equity indices slumped 0.9%-1.1%, while the most important US benchmarks also shed 0.8%-1.0% yesterday, led by the tech-heavy NASDAQ. The negative trading sentiment spilled over in Bucharest too, weighing on the BET, which shrank 0.2%. Nevertheless, the shares of Nuclearelectrica and Transelectrica rallied 5.0% and 2.3% respectively, most likely helped further by increasing energy prices as well as the news on higher dividend payout ratios, required by the new government.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
26-Jan	Thursday	no data			
27-Jan	Friday	no data			
30-Jan	Monday	December	Licenses for residential buildings (YoY%)	-12.3	-0.8
		January	Economic Sentiment Indicator	105.0	103.8
		January	Consumer Confidence Indicator	-13.0	-17.4
31-Jan	Tuesday	December	ILO unemployment rate (% , seasonally adjusted)		5.7
1-Feb	Wednesday	January	FX Reserves (EUR bn)		34.2

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		27-Jan-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	9.5599	↑ 5.09	↑ 4.54	↑ 21.40		
OTP Obligatiuni	RON	14.6906	↑ 0.14	↑ 0.11	↑ 2.73		
OTP ComodisRO	RON	17.1187	↑ 0.09	↑ 0.08	↑ 1.36		
OTP Euro Bond	EUR	12.6629	↑ 0.14	↑ 0.12	↑ 1.94		
OTP Dollar Bond	USD	10.8593	↑ 0.12	↑ 0.07	↑ 2.62		
OTP Premium Return	RON	11.2443	↑ 1.00	↑ 0.77	↑ 6.85		
OTP Euro Premium Return	EUR	9.9175	↓ -0.83	↓ -0.45	↑ 1.59		
OTP Global Mix	RON	10.8145	↑ 0.02	↑ 0.18	↑ 8.87		

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