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Daily Report – Romania

Date: 23.02.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,045.01	↑ 0.12	↑ 4.32
BET-TR	9,937.75	↑ 0.12	↑ 4.32
BET-FI	32,240.17	↑ 0.61	↑ 1.25
BET-XT	722.92	↑ 0.18	↑ 3.66
SNP	0.3055	↑ 0.83	↑ 6.82
TLV	2.7500	↑ 0.55	↑ 7.84
TGN	359.0000	↓ -0.55	↑ 3.46
FP	0.9200	↑ 0.33	↑ 2.34
SNG	28.6000	↓ -1.04	↑ 2.69

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.59	↑ 0.5	↑ 1.0
12 month	0.95	→ 0.0	↑ 1.5
3 year	1.66	↑ 0.5	↓ -2.0
5 year	2.63	↑ 0.5	↓ -2.0
10 year	3.62	↑ 1.0	↓ -4.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	RON 1000 mn	RON 1000 mn
Thursday	10.4Y	RON 300 mn	RON 300 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.42	→ 0.0	↓ -1.0
3M ROBOR	0.83	↑ 1.0	↑ 1.0
6M ROBOR	1.05	↓ -1.0	→ 0.0
1Y ROBOR	1.24	→ 0.0	↑ 2.0
5Y CDS	92.71	↑ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5178	↑ 0.01	↓ -0.13
USD/RON	4.2691	↓ -0.22	↑ 0.75
CHF/RON	4.2422	↑ 0.19	↓ -0.18
100HUF/RON	0.0146	↓ -0.30	↓ -0.58

Sources: Reuters, OTP Research

Summary

- Non-government loans had a rather soft start in 2017.
- On Thursday, the leu finished the day practically flat against the euro.
- The Treasury sold the planned RON 300 mn in 10Y bonds.
- After a strong rally, the BET inched only a bit higher yesterday.

Non-government loans had a rather soft start in 2017, registering a 0.9% YoY increase in January, after December's 1.2% YoY rise. Our in-house FX adjusted estimation shows a slightly more favourable picture, pointing to a 1.0% YoY advance in January, which was practically the same as the growth pace seen a month earlier. The main driver remained the segment of RON credit, which grew by 13.8% YoY, down from December's 14.3% YoY, while FX loans continued to stay deep in negative territory. In the case of private individuals, RON loans rose by 25.5% YoY, fuelled again by the housing segment (52.6% YoY).

At the same time, private deposits registered 8.0% YoY advance in January, led by the leu side (+9.6%). In monthly comparison, deposits decreased by around 1.3%, but it came after a strong gain in December (+4.2%), when large government expenditures fuelled the growth.

The EUR/RON wobbled near its previous closing level, ending the day practically flat yesterday.

On Thursday, the Treasury sold RON 300 mn debt in 10.4Y bonds, in line with the planned amount, after commercial banks subscribed for RON 391.1 mn. The average yield was at 4.07%.

European stock markets finished the day mostly in negative territory, among others as investors digested company earnings reports. At the same time, the main US equity benchmarks closed mixed, with the Dow Jones adding 0.2%. On the domestic front, the BVB's indices showed modest gains. After its strong rally, the main index, the BET advanced 0.1% yesterday, as its components moved in mixed directions. The shares of Transelectrica gained the most, inching 1.5% higher, while the BRD was the weakest link, falling 1.3%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
20-Feb	Monday		no data		
21-Feb	Tuesday		no data		
22-Feb	Wednesday		no data		
23-Feb	Thursday	January	New commercial vehicle registrations (YoY%)	-14.9	11.2
		January	M3 (broad money, YoY%)	9.1	9.7
		January	Non-government loans (YoY%)	0.9	1.2
		January	Non-government deposits (YoY%)	8.0	8.2
24-Feb	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		22-Feb-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	9.8862	↑	5.83	↑	8.10	↑ 24.21
OTP Obligatiuni	RON	14.7213	↑	0.20	↑	0.32	↑ 2.73
OTP ComodisRO	RON	17.1311	↑	0.09	↑	0.15	↑ 1.34
OTP Euro Bond	EUR	12.6828	↑	0.14	↑	0.28	↑ 2.05
OTP Dollar Bond	USD	10.8852	↑	0.27	↑	0.31	↑ 2.47
OTP Premium Return	RON	11.4190	↑	1.95	↑	2.34	↑ 7.43
OTP Euro Premium Return	EUR	10.0850	↑	1.63	↑	1.23	↑ 5.57
OTP Global Mix	RON	11.0989	↑	3.25	↑	2.82	↑ 11.01

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