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# Daily Report – Romania

Date: 07.03.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,905.57	↓ -0.22	↓ -0.81
BET-TR	9,873.92	↓ -0.22	↑ 0.29
BET-FI	31,462.14	↑ 0.10	↓ -1.25
BET-XT	710.97	↓ -0.20	↓ -0.73
FP	0.8810	↑ 0.46	↑ 2.38
TLV	2.7550	↓ -0.54	↑ 2.04
BRD	11.6400	↑ 0.17	↓ -2.84
TGN	357.0000	↓ -0.28	↓ -1.38
SNG	28.4000	↑ 0.18	↑ 0.35

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.60	→ 0.0	↑ 1.0
12 month	0.96	→ 0.0	↑ 1.0
3 year	1.67	↑ 0.5	↑ 2.5
5 year	2.66	→ 0.0	↑ 4.5
10 year	3.72	→ 0.0	↑ 9.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	5Y	RON 600 mn	RON 600 mn
Thursday	3Y	RON 600 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.47	↓ -2.0	↓ -2.0
3M ROBOR	0.82	↑ 1.0	→ 0.0
6M ROBOR	1.06	↑ 1.0	↑ 1.0
1Y ROBOR	1.23	↓ -1.0	↓ -1.0
5Y CDS	92.25	→ 0.0	↓ -0.5

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5422	↑ 0.17	↑ 0.41
USD/RON	4.2980	↑ 0.30	↑ 0.50
CHF/RON	4.2397	↑ 0.13	↓ -0.28
100HUF/RON	0.0146	↑ 0.11	↓ -0.24

Sources: Reuters, OTP Research

**Summary**

- Robust liquidity surplus continued to prevail in the banking sector in February.
- The number of new finished dwellings grew by 11.1% in 2016.
- Yesterday the EUR/RON climbed 0.2% higher.
- The BVB's indices showed small changes.

Strong liquidity position continued to characterize the interbank market, the latest data of the NBR showed. In February, commercial banks held RON 11.3 bn on average in the NBR's deposit facility, with only 2.4 bn lower than a month earlier, but by RON 9.3 bn above December's level. The liquidity surplus of the banking sector increased significantly in January, after government spending increased remarkably at the end of last year. The surplus also helped to keep interest rates at relatively low levels last month, in the absence of sterilization actions coming from the central bank. It could be worth mentioning that ROBOR rates may start to increase gradually in the quarters ahead, as excess liquidity may shrink, while headline inflation points to more and more signs of acceleration.

In 2016, the number of new finished dwellings advanced by 11.1% YoY, reaching 52,206 units, the fresh statistics of the NIS revealed this morning. However, there was a modest fall (-3.6% YoY) in Q4, the report also noted. We suspect that the weaker performance in the last quarter of the year was rather transitory, presumably with regulatory uncertainties (like debt-to-assets law and planned loan conversions) also weighing on the data. As the regulatory environment seems to stabilize and taking into account that there is clearly a need for new homes (Romania is characterized by the highest overcrowding rate of dwellings in the EU), while households' incomes are set to rise too, the outlook appears to be favourable for 2017.

Yesterday the leu weakened around 0.2% against the euro, underperforming other currencies of the CEE region. Most likely commercial flows were behind the movement.

Global equity markets recorded subtle changes, mostly finishing the day in negative territory, as investors were reluctant to make big bets ahead of the ECB's monetary policy meeting (on Thursday) and important labour market statistics in the USA (on Friday). In Bucharest, the BET eased by 0.2% as its components showed mixed moves yesterday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
6-Mar	Monday	no data			
7-Mar	Tuesday	Q4 2016 Detailed GDP growth rate (YoY%, provisional data 1)	4.7		4.7
8-Mar	Wednesday	no data			
9-Mar	Thursday	no data			
10-Mar	Friday	February Consumer price index (YoY%)			0.1

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		6-Mar-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	9.8335	↑ 2.35	↑ 7.53	↑ 21.64		
OTP Obligatiuni	RON	14.7287	↑ 0.22	↑ 0.37	↑ 2.79		
OTP ComodisRO	RON	17.1391	↑ 0.10	↑ 0.20	↑ 1.34		
OTP Euro Bond	EUR	12.6869	↑ 0.18	↑ 0.31	↑ 1.97		
OTP Dollar Bond	USD	10.9017	↑ 0.29	↑ 0.46	↑ 2.53		
OTP Premium Return	RON	11.3978	↑ 1.18	↑ 2.15	↑ 6.68		
OTP Euro Premium Return	EUR	9.8792	↓ -0.80	↓ -0.83	↑ 2.88		
OTP Global Mix	RON	11.0546	↑ 2.03	↑ 2.40	↑ 10.26		

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