

## Headquarter Treasury Sales

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# Daily Report – Romania

Date: 09.03.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,870.27	↓ -0.37	↓ -1.29
BET-TR	9,829.70	↓ -0.37	↓ -0.19
BET-FI	31,273.53	↓ -0.50	↓ -1.32
BET-XT	707.63	↓ -0.41	↓ -1.05
TLV	2.7600	↓ -0.18	↑ 0.55
FP	0.8760	↓ -0.23	↑ 1.57
SNP	0.2960	↓ -1.33	↓ -2.31
BRD	11.7000	↑ 1.04	↑ 1.04
EBS	136.0000	↑ 1.87	↑ 5.02

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.60	→ 0.0	→ 0.0
12 month	0.98	↑ 1.0	↑ 2.0
3 year	1.70	↑ 1.0	↑ 4.5
5 year	3.01	→ 0.0	↑ 37.5
10 year	4.08	↑ 3.0	↑ 40.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	5Y	RON 600 mn	RON 600 mn
Thursday	3Y	RON 600 mn	RON 0 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.46	→ 0.0	↓ -3.0
3M ROBOR	0.82	→ 0.0	↑ 1.0
6M ROBOR	1.06	→ 0.0	↑ 1.0
1Y ROBOR	1.24	→ 0.0	→ 0.0
5Y CDS	92.25	→ 0.0	↓ -0.5

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5478	↑ 0.20	↑ 0.56
USD/RON	4.3003	↓ -0.21	↓ -0.08
CHF/RON	4.2488	↑ 0.05	↓ -0.03
100HUF/RON	0.0146	↓ -0.08	↓ -0.11

Sources: Reuters, OTP Research

**Summary**

- Headline inflation continued to rise, reaching 0.2% YoY in February, up from 0.1% YoY a month earlier.
- On Thursday, the leu modestly weakened compared to the euro; the ECB made no change in yesterday's monetary policy meeting.
- Thursday's bond auction was quite disappointing; the Treasury rejected all of the bids.
- The BET index dropped 0.4% yesterday.

This morning, the National Institute of Statistics revealed consumer price data for February. According to the fresh report, Romania's annual inflation continued to climb higher, reaching 0.2% YoY, after 0.1% YoY a month earlier. Food prices got further momentum, increasing from 1.1% YoY, to 1.4% YoY last month, mainly due to volatile vegetables and fruits prices, while the CPI of eggs also accelerated in annual terms. At the same time, non-foods' inflation came into positive territory, reaching 0.1% YoY, following January's -0.2% YoY. Inside this group of items, both the non-durable and durable segment got traction, while fuel inflation showed the largest increase to 4.1% YoY, from 2.5% a month earlier. Admittedly, services inflation fell to -1.7% YoY, versus -1.1% YoY in January, but this was the result of radio and TV subscriptions, which shrank 16.9% MoM, after the elimination of the special duty on these services. Headline inflation came in positive territory in January this year, after the impact of last year's VAT reduction started to fade. It may be worth mentioning that the healthy domestic demand, together with the expected reflation process at global level, may support headline inflation to grow further in the coming quarters.

Yesterday the monetary policy meeting of the European Central Bank was in the spotlight. As expected, the Governing Council made no change, while President Mario Draghi also suggested that there was no need for additional stimulus measures in order to help the eurozone's economy. On the news, the euro firmed somewhat compared to the greenback. At the same time, the leu weakened against the euro in line with other currencies of the CEE region, finishing the day near 4.55. Today fresh US labour market statistics could be in the focus of investors.

Yesterday's government bond auction was quite disappointing, after dealers subscribed for only RON 532.1 mn, while the Treasury rejected all of the bids.

The BET fell 0.4% yesterday, after only three out of its ten components were able to close in green zone.

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%)	0.2	0.3	0.1

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		8-Mar-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	9.8196	↑ 1.91	↑ 7.38	↑ 20.76		
OTP Obligatiuni	RON	14.7268	↑ 0.16	↑ 0.36	↑ 2.71		
OTP ComodisRO	RON	17.1402	↑ 0.10	↑ 0.21	↑ 1.33		
OTP Euro Bond	EUR	12.6862	↑ 0.12	↑ 0.31	↑ 1.93		
OTP Dollar Bond	USD	10.8989	↑ 0.24	↑ 0.44	↑ 2.47		
OTP Premium Return	RON	11.4083	↑ 1.09	↑ 2.24	↑ 6.71		
OTP Euro Premium Return	EUR	9.8666	↓ -1.51	↓ -0.96	↑ 2.81		
OTP Global Mix	RON	11.0832	↑ 2.02	↑ 2.67	↑ 10.26		

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