

Date: 20.03.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,967.09	↓ -0.03	↑ 0.98
BET-TR	9,949.75	↓ -0.03	↑ 0.97
BET-FI	32,093.57	↑ 0.06	↑ 2.11
BET-XT	718.81	↓ -0.02	↑ 1.23
TLV	2.7250	↓ -0.55	↓ -0.91
FP	0.8800	→ 0.00	↑ 0.57
SIF2	0.8430	↑ 0.12	↑ 1.32
TGN	359.0000	↑ 0.56	↑ 0.84
SNP	0.3040	↓ -0.49	↑ 2.36

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.63	↑ 0.5	↑ 2.5
12 month	0.95	↓ -0.5	↓ -2.5
3 year	1.66	↓ -1.5	↓ -5.0
5 year	2.95	↓ -3.0	↓ -6.0
10 year	3.99	↓ -4.0	↓ -10.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	10.4Y	RON 300 mn	RON 326.9 mn
Thursday	12M	RON 600 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.41	↑ 1.0	↓ -2.0
3M ROBOR	0.84	→ 0.0	→ 0.0
6M ROBOR	1.08	→ 0.0	↓ -1.0
1Y ROBOR	1.26	→ 0.0	→ 0.0
5Y CDS	90.10	↑ 4.5	↓ -2.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5625	↑ 0.24	↑ 0.20
USD/RON	4.2480	↑ 0.21	↓ -0.62
CHF/RON	4.2543	↑ 0.10	↑ 0.26
100HUF/RON	0.0148	↑ 0.28	↑ 1.44

Sources: Reuters, OTP Research

Summary

- The EUR/RON finished Monday's trading around 4.56, near multi-year highs.
- The Treasury borrowed RON 327 mn by issuing 10.4Y bonds.
- Two new constituents (MedLife and Conpet) were incorporated into the BET yesterday; the key index finished flat yesterday amid rather unsupportive global trading sentiment.

The leu was under weakening pressures yesterday, pushing the EUR/RON to around 4.56, near multi-year record highs, while among other currencies of the CEE region, Poland's PLN strengthened significantly against the euro and the Hungarian forint also firmed marginally. We recall that on Friday, the IMF issued a statement warning Romanian authorities about the rising government deficit, and also urging a reorientation of fiscal policies from stimulating consumption to support investments instead, in order to secure sustainable growth in the medium term. In line with the European Commission's forecast, the IMF's specialist also expect that the budget deficit will exceed the 3% threshold this year and next.

The Treasury sold slightly more than planned (RON 327 mn vs. RON 300 mn) in 10.4Y bonds yesterday. The average yield was at 4.03%, a bit lower than at a similar auction in February (4.07%).

Trading was slightly pessimistic on global equity markets yesterday, with the majority of the leading indices pointing to small drops. The G-20 meeting held over the last weekend contributed to reviving concerns about the USA's trade policies, after the officials of the group decided to drop out a pledge against protectionism from their concluding statement. In addition, the UK government signalled that Prime Minister Theresa May would trigger Article 50 on 29 March in order to begin the exit process from the European Union. Investors were also cautious ahead of a debate of candidates running for France's presidential race. The unsupportive sentiment weighted on trading in Bucharest too. The benchmarks showed subtle changes, with Romania's main index, the BET finishing practically flat. Yesterday two new constituents were incorporated into the BET, namely MedLife and Conpet (symbols: M and COTE). Both of them ended the day in green zone, increasing by 0.4% each. Nonetheless, the largest gain was registered by the shares of BVB (+3.6%), while banking sector stocks as well as OMW Petrom recorded the weakest performances, dragging down the key index.

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

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		17-Mar-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	9.9279	↑	1.49	↑	8.56	↑ 21.29
OTP Obligatiuni	RON	14.7262	↑	0.09	↑	0.35	↑ 2.54
OTP ComodisRO	RON	17.1456	↑	0.10	↑	0.24	↑ 1.32
OTP Euro Bond	EUR	12.6729	↓	-0.03	↑	0.20	↑ 1.66
OTP Dollar Bond	USD	10.8985	↑	0.17	↑	0.43	↑ 2.31
OTP Premium Return	RON	11.4002	↑	0.17	↑	2.17	↑ 6.43
OTP Euro Premium Return	EUR	9.8929	↓	-1.46	↓	-0.70	↑ 3.03
OTP Global Mix	RON	11.0931	↑	0.69	↑	2.76	↑ 10.36

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