

Date: 23.03.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,961.53	↓ -0.10	↑ 0.48
BET-TR	9,942.81	↓ -0.10	↑ 0.47
BET-FI	31,963.20	↑ 0.24	↓ -0.58
BET-XT	718.49	↑ 0.01	↑ 0.38
TLV	2.6900	↓ -1.47	↓ -0.92
TGN	368.0000	↑ 1.66	↑ 3.37
COTE	111.5000	↓ -0.89	↑ 15.19
FP	0.8760	↑ 0.11	↓ -0.34
SNP	0.3020	→ 0.00	→ 0.00

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.62	↑ 0.5	↑ 0.5
12 month	0.93	↑ 0.5	↓ -2.5
3 year	1.60	↓ -3.5	↓ -6.0
5 year	2.91	↓ -4.5	↓ -6.0
10 year	3.92	↓ -5.5	↓ -9.0

GOV'T BOND AUCTIONS

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

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.41	↑ 1.0	→ 0.0
3M ROBOR	0.84	→ 0.0	→ 0.0
6M ROBOR	1.10	↑ 2.0	↑ 2.0
1Y ROBOR	1.26	→ 0.0	→ 0.0
5Y CDS	93.15	→ 0.0	↑ 0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5557	↓ -0.04	↓ -0.03
USD/RON	4.2245	↑ 0.09	↓ -0.19
CHF/RON	4.2530	↓ -0.12	↑ 0.17
100HUF/RON	0.0147	↓ -0.15	↑ 0.17

Sources: Reuters, OTP Research

Summary

- February's non-government credit statistics give reason for some optimism.
- The EUR/RON was traded in a narrow range, providing signs of relief.
- Thursday's T-bill auction was successful, supported also by the large liquidity surplus on the interbank market.
- Bucharest's key equity indices showed little variation yesterday.

Non-government credit got momentum in February, driven by RON loans (1.4% MoM and 13.9% YoY). Both corporate and household credits expanded (1.6% MoM and 1.2% MoM). Foreign-currency-denominated loans continued to fall in February on FX adjusted basis. Private deposits accelerated last month, pointing to 8.6% YoY advance, up from January's 8.0% YoY. On the external front, the developments about the vote on the new US health-care legislation were in the spotlight yesterday. The bill aims to replace the Affordable Care Act, also known as Obamacare, and it is viewed by many as a litmus test on the Trump administration's ability to deliver soon the promised reforms, including stimulus measures like tax cuts and public investments. Amid the heightened political uncertainty, the EUR/USD eased slightly, ending the day marginally below 1.08. We recall that the greenback was under some selling pressure this month, beyond political issues also due to the less hawkish messages of the Fed, driving the pair to 1.08, up from 1.05. Yesterday, the EUR/RON was traded in a narrow range, providing some signs of relief, after the pair showed a gradual upward trend in the past two months, also nearing multi-year highs. The worries about the budget deficit, a seemingly more lenient approach of the NBR regarding FX movements as well as some commercial flows could have played an important role in the leu weakness in the past few weeks.

Thursday's Treasury bill auction was characterized by healthy demand, most likely also supported by the large liquidity surplus on the interbank market. Commercial banks sent bids in value of RON 1,538.9 mn, lifting the bid-to-cover ratio to 2.6x, while the average yield stood at 0.97%. At the same time, the benchmark yields on medium and long term maturities eased by 4-6 basis points.

Yesterday European stocks got a boost from the upbeat open of US equity markets and finished the day in the green zone. Nevertheless, the main indices of the USA slipped marginally in negative territory just before the closing bell rang, as the vote on the new health care legislation was delayed. In Bucharest, the leading indices showed little variation.

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%)	10.1	9.1
		February	Non-government loans (YoY%)	2.1	0.9
		February	Non-government deposits (YoY%)	8.6	8.0
		February	New commercial vehicle registrations (YoY%)	47.8	-14.9
24-Mar	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		22-Mar-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	9.9956	↑ 1.11	↑ 9.30	↑ 21.77		
OTP Obligatiuni	RON	14.7318	↑ 0.07	↑ 0.39	↑ 2.53		
OTP ComodisRO	RON	17.1485	↑ 0.10	↑ 0.25	↑ 1.32		
OTP Euro Bond	EUR	12.6751	↓ -0.06	↑ 0.22	↑ 1.63		
OTP Dollar Bond	USD	10.9036	↑ 0.17	↑ 0.48	↑ 2.29		
OTP Premium Return	RON	11.4283	↑ 0.08	↑ 2.42	↑ 6.58		
OTP Euro Premium Return	EUR	9.8886	↓ -1.95	↓ -0.74	↑ 2.81		
OTP Global Mix	RON	11.0647	↓ -0.31	↑ 2.50	↑ 10.06		

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