

Headquarter Treasury Sales

Alexandru Tibuleac

0372 31 85 85

alexandru.tibuleac@otpbank.ro

Ionut Constandache

0372 31 85 86

ionut.constandache@otpbank.ro

Corina Bejan

0372 31 85 84

corina.bejan@otpbank.ro

Andreea Nica

0755 000 106

andreea.nica@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj

0755 000 400

szilamer.kozma@otpbank.ro

Tudor Zaman - Bucuresti

0755 000 199

tudor.zaman@otpbank.ro

Alexandru Sabin - Arad

0730 577 959

alexandru.sabin@otpbank.ro



Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,456.61	↑ 0.02	↑ 1.65
BET-TR	10,629.98	↑ 0.02	↑ 1.66
BET-FI	32,563.11	↑ 0.57	↑ 2.11
BET-XT	759.38	↓ -0.08	↑ 1.71
DIGI	39.5000	↓ -4.13	n.a.
TLV	2.7450	↓ -0.18	→ 0.00
TGN	407.0000	↓ -2.40	↑ 3.56
BRD	12.5200	↑ 0.32	↑ 0.64
FP	0.9180	↑ 2.23	↑ 2.46

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.62	→ 0.0	→ 0.0
12 month	0.86	→ 0.0	↓ -1.0
3 year	1.45	↓ -0.5	↓ -7.0
5 year	2.63	↓ -3.0	↓ -10.0
10 year	3.71	↑ 0.5	↓ -12.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	10.2Y	RON 300 mn	RON 342.4 mn
Thursday	2.8Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.45	↓ -1.0	↓ -8.0
3M ROBOR	0.86	↓ -1.0	↓ -2.0
6M ROBOR	1.06	→ 0.0	↓ -4.0
1Y ROBOR	1.24	→ 0.0	↓ -2.0
5Y CDS	94.49	↑ 0.0	↑ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5685	↑ 0.42	↑ 0.32
USD/RON	4.0939	↓ -0.26	↓ -2.29
CHF/RON	4.1803	↑ 0.42	↑ 0.66
100HUF/RON	0.0148	↑ 0.43	↑ 0.83

Sources: Reuters, OTP Research

Summary

- US political worries left their mark on yesterday's sentiment; the negative spill-over effects were felt by the CEE region's currencies too, including Romania's leu.
- Today the MoF puts up for sale 2.8Y bonds in value of RON 500 mn.
- On Wednesday, the shares of Digi slumped 4.1% on extra-high volumes; the BET closed basically unchanged.

Political concerns in the USA left their mark on yesterday's trading sentiment. The greenback continued to lose ground dramatically, pushing the EUR/USD well above the 1.11 mark. Political worries escalated following a report stating that President Trump asked the FBI's director to shut down an investigation. This came after reportedly Mr Trump shared classified information with Russian officials on a meeting. The waves triggered by the events on the political scene reached the CEE region too, putting some selling pressure on the RON and its peers. Romania's leu weakened around 0.4% compared to the common European currency, in line with Poland's zloty and the Czech crown, while the Hungarian forint was able to finish the day practically flat.

Today the Ministry of Finance aims to sell RON 500 mn debt through 2.8Y bonds. Interbank lending rates showed only small changes yesterday.

The political turmoil hit both US as well as the main Western European equity markets. In the USA, the key indices sharply fell (1.8%-2.6%), while the leading European benchmarks gave up 0.3%-1.6%. On the other hand, the BET performed relatively well, ending the session practically unchanged, as Fondul Proprietatea, which has the largest weight in the key index, inched up 2.2%. Nonetheless, the shares of Digi were mainly in the focus of investors on Wednesday, rather than those of FP. The stocks of the telecommunication company sank 4.1% on extra-high volumes (more than RON 109 mn) on their second official trading day, after the last week's IPO.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
15-May	Monday	March	Wholesale turnover index (YoY%)	11.3	1.4
		March	Turnover of market serv. rendered mainly to enterp. (YoY%)	18.5	11.1
		March	CA balance (EUR mn, YTD)	-690	204
16-May	Tuesday	Q1 2017	Flash GDP growth rate (YoY%)	5.7	4.4
		April	New passenger car registrations (YoY%)	7.5	5.2
17-May	Wednesday		no data		
18-May	Thursday		no data		
19-May	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		16-May-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.5423	↑	3.86	↑	15.28	↑ 34.28
OTP Obligatiuni	RON	14.7899	↑	0.20	↑	0.79	↑ 2.53
OTP ComodisRO	RON	17.1787	↑	0.10	↑	0.43	↑ 1.25
OTP Euro Bond	EUR	12.7068	↑	0.13	↑	0.47	↑ 1.60
OTP Dollar Bond	USD	10.9293	↑	0.14	↑	0.72	↑ 1.98
OTP Premium Return	RON	11.6009	↑	1.02	↑	3.97	↑ 9.11
OTP Euro Premium Return	EUR	9.8701	↓	-1.26	↓	-0.92	↑ 2.24
OTP Global Mix	RON	11.3005	↑	1.70	↑	4.68	↑ 13.21

Chief Economist
Gergely Tardos
 +36 1 3747273
tardosg@otpbank.hu

Analyst
Csaba Bálint
 +4021 3075896
csaba.balint@otpbank.ro

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