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Daily Report – Romania

Date: 29.05.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,673.50	↑ 0.30	↑ 1.99
BET-TR	10,986.47	↑ 0.31	↑ 1.97
BET-FI	33,144.07	↑ 0.42	↑ 1.42
BET-XT	778.69	↑ 0.42	↑ 1.93
SNP	0.3290	↓ -0.30	↑ 0.77
FP	0.9180	↓ -0.76	↑ 0.33
TLV	2.9150	→ 0.00	↑ 5.05
SIF5	1.7700	↑ 0.57	↑ 2.67
TGN	425.0000	↑ 1.43	↑ 2.16

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.60	↑ 1.0	↓ -2.0
12 month	0.84	↑ 1.5	↓ -2.5
3 year	1.40	↑ 0.5	↓ -3.0
5 year	2.48	↓ -0.5	↓ -13.0
10 year	3.64	↑ 1.0	↓ -4.5

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.53	↓ -1.0	↑ 9.0
3M ROBOR	0.87	→ 0.0	→ 0.0
6M ROBOR	1.04	→ 0.0	↓ -1.0
1Y ROBOR	1.23	→ 0.0	↓ -1.0
5Y CDS	94.48	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5658	↑ 0.09	↑ 0.11
USD/RON	4.0888	↑ 0.24	↑ 0.75
CHF/RON	4.1830	↓ -0.12	↑ 0.32
100HUF/RON	0.0148	↑ 0.02	↑ 0.24

Sources: Reuters, OTP Research

Summary

- In April, the number of new building permits fell by 11.0% YoY, partially on the back of Easter effect.
- The EUR/RON was traded higher on the first day of the week.
- The BET performed relatively well, finishing the day 0.3% higher.

In annual terms, the number of new building permits fell by 11.0% YoY in April, after the 4.5% YoY gain in the previous month, a report of the National Institute of Statistics showed this morning. Based on planned building area, permits dropped even more, by 21.4% YoY, following March's 3.4% YoY advance. Nonetheless, it is important to mention that the last month's setback was partially due to Easter effect. Today economic sentiment as well as consumer confidence data for May will be revealed.

On global financial markets, trading was relatively calm on the first day of the week, after several important markets were closed. As a result, the EUR/USD showed only modest movements, while Romania's leu continued to lose ground against the common European currency, more or less in line with Poland's zloty and the Hungarian forint.

The unitary public wage law may come in the spotlight again, after committees in Romania's lower house debated the bill yesterday. It should be mentioned that beyond the external pressures as well as the latest NBR comments on the real effective exchange rate, most likely the concerns about the perspective of the government deficit also played an important role in the recent weakness of the leu. The new public wage law foresees significant salary hikes in the forthcoming period, putting additional pressure on the already stretched government deficit.

The BET performed relatively well on Monday, registering 0.3% gain, while the key Western European stock benchmarks were mixed and US equity markets were closed for Memorial Day.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
29-May	Monday	no data			
30-May	Tuesday	May	Economic Sentiment Indicator		105.2
		May	Consumer Confidence Indicator		-13.4
	April	Licenses for residential buildings (YoY%)		-11.0	4.5
31-May	Wednesday	no data			
1-Jun	Thursday	no data			
2-Jun	Friday	April	Retail trade (YoY%)		9.2
		April	Tourists' overnight stays (YoY%)		8.6
		April	Producer Price Index (YoY%)		3.9

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		26-May-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.7459	↑	4.81	↑	17.51	↑ 36.67
OTP Obligatiuni	RON	14.8025	↑	0.27	↑	0.87	↑ 2.64
OTP ComodisRO	RON	17.1857	↑	0.10	↑	0.47	↑ 1.25
OTP Euro Bond	EUR	12.7144	↑	0.21	↑	0.53	↑ 1.75
OTP Dollar Bond	USD	10.9316	↑	0.14	↑	0.74	↑ 2.01
OTP Premium Return	RON	11.6037	↑	0.99	↑	3.99	↑ 9.18
OTP Euro Premium Return	EUR	9.8205	↓	-0.26	↓	-1.42	↑ 2.01
OTP Global Mix	RON	11.2966	↑	1.51	↑	4.65	↑ 12.96

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