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Daily Report – Romania

Date: 31.05.2017 (02.06.2017 for MM&GS, 05.06.2017 for FX data)

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,769.41	↑ 0.93	↑ 2.58
BET-TR	11,106.13	↑ 0.93	↑ 2.54
BET-FI	33,308.88	↑ 0.61	↑ 1.98
BET-XT	787.04	↑ 0.91	↑ 2.52
TLV	3.0000	↑ 2.04	↑ 7.72
SNG	33.9000	↑ 0.15	↑ 0.59
TGN	449.0000	↑ 1.35	↑ 7.93
SIF2	0.9410	↑ 4.21	↑ 8.16
FP	0.9120	↓ -0.11	↓ -0.22

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.57	→ 0.0	↓ -3.0
12 month	0.82	↑ 1.5	↓ -1.0
3 year	1.37	→ 0.0	↓ -4.0
5 year	2.46	↓ -0.5	↓ -4.0
10 year	3.64	↑ 0.5	↓ -1.0

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.53	↓ -1.0	↓ -2.0
3M ROBOR	0.86	→ 0.0	↓ -1.0
6M ROBOR	1.06	↑ 2.0	↑ 2.0
1Y ROBOR	1.24	↑ 1.0	↑ 1.0
5Y CDS	94.48	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5668	→ 0.00	↑ 0.02
USD/RON	4.0494	→ 0.00	↓ -0.96
CHF/RON	4.2054	↓ -0.06	↑ 0.54
100HUF/RON	0.0148	↓ -0.25	↑ 0.01

Sources: Reuters, OTP Research

Summary

- In May, the NBR's FX reserve decreased by EUR 0.5 bn, after the minimum reserve ratio was lowered.
- The leu firmed slightly on Friday, broadly in line with its peers in the CEE region.
- This week, detailed Q1 GDP statistics will see the light of day.

In May, the foreign exchange reserve of the NBR eased from EUR 35.96 bn to EUR 35.48 bn, the central bank revealed on Friday. Inflows (EUR 541 mn) were outpaced by outflows (EUR 1,018 mn), after the NBR lowered the minimum reserve requirement ratio for FX liabilities on its latest [policy meeting](#), at the beginning of May. It should be mentioned that the level of FX reserves seems to be more than adequate compared to imports and short-term external debt. Further MRR cuts may come when there is a possibility to do so, in order to harmonize the reserve ratio with the levels in other EU members, the central bank officials suggested earlier.

This week the National Institute of Statistics will publish the detailed GDP breakdown for Q1 2017. Importantly, the flash Q1 GDP data brought positive surprise, revealing that the country's economy grew by 5.7% YoY, beating market expectations by a large margin.

In Europe, among others British and French elections as well as the ECB monetary policy meeting could be in the spotlight this week.

On Friday, US labour statistics surprised on the downside, after the number of employees increased by only 138,000 in May. On the back of the disappointing data, the US dollar modestly weakened compared to the euro, while the leu and the majority of its peers in the CEE region slightly firmed against the shared European currency. On the other hand, the greenback recovered some of its losses on Monday, while the leu was unchanged compared to the euro in muted trading as domestic players remained on the sidelines due to Whit Monday holiday.

The BVB remained closed since last Wednesday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
5-Jun	Monday		no data		
6-Jun	Tuesday		no data		
7-Jun	Wednesday	Q1 2017	Detailed GDP growth rate (YoY%, provisional data 1)		5.7
8-Jun	Thursday		no data		
9-Jun	Friday	April	Exports (FOB, YoY%)		15.9
		April	Imports (CIF, YoY%)		14.8

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		31-May-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.8486	↑ 5.94	↑ 18.63	↑ 35.88		
OTP Obligatiuni	RON	14.8128	↑ 0.33	↑ 0.94	↑ 2.71		
OTP ComodisRO	RON	17.2043	↑ 0.21	↑ 0.58	↑ 1.34		
OTP Euro Bond	EUR	12.7248	↑ 0.24	↑ 0.61	↑ 1.83		
OTP Dollar Bond	USD	10.9376	↑ 0.19	↑ 0.79	↑ 2.07		
OTP Premium Return	RON	11.6329	↑ 1.03	↑ 4.25	↑ 9.21		
OTP Euro Premium Return	EUR	9.8020	↓ -0.44	↓ -1.61	↑ 1.85		
OTP Global Mix	RON	11.3212	↑ 1.39	↑ 4.87	↑ 17.63		

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