

Date: 24.07.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,340.23	↓ -0.41	↑ 2.27
BET-TR	10,997.52	↓ -0.41	↑ 2.30
BET-FI	33,535.19	↑ 0.02	↑ 0.74
BET-XT	756.30	↓ -0.36	↑ 2.21
SIF1	1.9860	↑ 0.10	↑ 1.43
BRD	14.1800	→ 0.00	↑ 1.29
TGN	392.0000	↓ -0.51	↑ 3.43
SNP	0.3185	↓ -0.47	↑ 4.08
TLV	2.9400	↓ -1.01	↑ 3.16

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.52	↓ -0.5	↓ -1.0
12 month	0.79	↓ -0.5	↓ -1.0
3 year	1.69	↓ -0.5	↑ 39.5
5 year	2.48	↑ 0.5	↓ -2.0
10 year	3.79	↑ 0.5	↓ -2.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	RON 1000 mn	RON 1000 mn
Monday	5.8Y	RON 700 mn	RON 700 mn
Thursday	4.6Y	RON 300 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.58	↑ 9.0	↑ 9.0
3M ROBOR	0.87	→ 0.0	→ 0.0
6M ROBOR	1.04	↑ 1.0	↑ 1.0
1Y ROBOR	1.20	→ 0.0	→ 0.0
5Y CDS	94.48	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5622	↓ -0.23	↓ -0.01
USD/RON	3.9178	↓ -0.07	↓ -1.44
CHF/RON	4.1394	↓ -0.07	↑ 0.27
100HUF/RON	0.0149	↓ -0.24	↑ 0.46

Sources: Reuters, OTP Research

Summary

- The IMF confirmed its 3.5% growth forecast for the global economy in 2017.
- New commercial vehicle registrations fell in June (-13.0% YoY), after a sharp increase in May (+25.8% YoY).
- The leu finished the day a touch above 4.56 compared to the euro.
- The Treasury borrowed the planned amounts in 12M bills and 5.8Y government bonds.

The IMF released an update of its World Economic Outlook report, revising the growth forecasts for the main economies at global level. According to the new report, world output may pick up, pointing to a 3.5% increase in 2017 and 3.6% in 2018, up from 2016's 3.2% advance. These figures were in line with the earlier version of the projections, but the details showed some differences. The analysts of the IMF expect stronger growth in several advanced economies. The euro area GDP advance may reach 1.9% in this year (vs. 1.7% forecasted previously) and 1.7% in 2018 (vs. 1.6%), while among other emerging economies, China could post slightly faster growth rates: 6.7% in 2017 (up from 6.6%), and 6.4% in 2018 (vs. 6.2%). On the other hand, the US economy most likely will grow slower, registering 2.1% gain both in 2017 and 2018, as in the near term, fiscal policies seem to be less supportive than previously thought. At the same time, the GDP forecast for the UK was also lowered by 0.3 percentage points for this year, to 1.7%. In 2018, the UK economy may lose further ground, pointing to 1.5% advance, according to the experts of the IMF.

In June, new commercial vehicle registrations fell by 13.0% YoY in Romania, the fresh statistics of the ACEA (European Automobile Manufacturers Association) showed this morning. It may be worth mentioning that June's fall came after a sharp advance in May (+25.8%). Meanwhile, in the first half of 2017, the number of new registrations rose by 5.3% YoY. Today non-government loan and deposit statistics from the NBR will be revealed.

The leu finished the day near 4.56 against the euro yesterday, slightly lower than a day earlier. In the CEE region, the developments in Poland remained in the spotlight, after the country's president vetoed two controversial laws, which had triggered nationwide protests. On Monday, Romania's Treasury successfully sold the planned amounts in government securities.

Romanian stocks mostly fell yesterday, with the BET giving up 0.4%. Trading sentiment was quite mixed on global equity markets.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
24-Jul	Monday		no data		
25-Jul	Tuesday	June	M3 (broad money, YoY%)		
		June	Non-government loans (YoY%)		
		June	Non-government deposits (YoY%)		
		June	-13.0		25.8
26-Jul	Wednesday		no data		
27-Jul	Thursday		no data		
28-Jul	Friday	July	Economic Sentiment Indicator		
		July	Consumer Confidence Indicator		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		21-Jul-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.8492	↑	1.62	↑	18.64	↑ 27.60
OTP Obligatiuni	RON	14.8405	↑	0.01	↑	1.13	↑ 2.15
OTP ComodisRO	RON	17.2285	↑	0.08	↑	0.72	↑ 1.29
OTP Euro Bond	EUR	12.7371	↓	-0.09	↑	0.71	↑ 1.30
OTP Dollar Bond	USD	10.9593	↑	0.08	↑	0.99	↑ 1.68
OTP Premium Return	RON	11.5608	↓	-0.51	↑	3.61	↑ 6.01
OTP Euro Premium Return	EUR	9.8001	↓	-0.20	↓	-1.63	↓ -0.15
OTP Global Mix	RON	11.2526	↓	-0.94	↑	4.24	↑ 8.89

Chief Economist**Gergely Tardos**

+36 1 3747273

tardosg@otpbank.hu**Analyst****Csaba Bálint**

+4021 3075896

csaba.balint@otpbank.ro

Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centered on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the willful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to csaba.balint@otpbank.ro or a written mail addressed to OTP Bank Romania S.A., Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.