

## Headquarter Treasury Sales

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# Daily Report – Romania

Date: 01.09.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,119.76	↑ 0.84	↓ -3.09
BET-TR	10,762.26	↑ 0.84	↓ -3.09
BET-FI	35,711.63	↓ -0.08	↑ 0.67
BET-XT	747.61	↑ 0.71	↓ -2.55
TLV	2.33	↑ 1.75	↓ -6.24
BRD	13.00	↓ -0.46	↓ -7.14
SNG	30.90	↑ 0.65	↓ -1.44
TGN	396.00	↑ 1.54	↓ -2.70
TEL	27.45	↓ -0.36	↓ -1.61

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.60	↑ 0.5	↑ 0.5
12 month	0.82	↑ 4.0	↑ 0.5
3 year	1.87	↑ 1.0	→ 0.0
5 year	2.59	→ 0.0	↑ 1.5
10 year	3.89	→ 0.0	↓ -0.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	6M	RON 800 mn	
Thursday	2.6Y	RON 500 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.64	↑ 1.0	↑ 2.0
3M ROBOR	0.92	↑ 1.0	↑ 2.0
6M ROBOR	1.13	↑ 2.0	↑ 4.0
1Y ROBOR	1.30	↑ 2.0	↑ 4.0
5Y CDS	89.17	↓ -0.3	↓ -0.5

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5952	↓ -0.05	↓ -0.12
USD/RON	3.8738	↑ 0.36	↑ 0.44
CHF/RON	4.0147	↓ -0.29	↓ -0.42
100HUF/RON	0.0150	↓ -0.03	↓ -0.54

Sources: Reuters, OTP Research

**Summary**

- Retail sales started Q3 on a strong note (+10% YoY in July), suggesting that households' consumption may have remained robust.
- In August, the NBR's foreign exchange reserves grew by around EUR 300 mn, reaching 35.0 bn.
- Producer prices accelerated in annual terms, reaching 3.0% YoY, helped by base effects.
- The EUR/RON continued to hover a touch below the 4.60 threshold.

In July, retail sales went up by 1.2% MoM (seasonally and working day adjusted data), lifting the annual growth rate to 10.1% YoY (gross data), up from June's 6.9% YoY, according to a NIS report, released this morning. At the same time, the details showed that the monthly gain was boosted chiefly by the non-food segment (+2.8% MoM). Meanwhile, food sales increased by 1.7% MoM, the statistics also showed and the fuel segment posted a slower gain, at 0.6% MoM. The fresh data suggests that households' expenditures could have remained quite healthy at the beginning of Q3 too.

In August, the NBR's foreign exchange reserves inched up to EUR 34.96 bn, corresponding to EUR 0.32 bn increase compared to July as inflows (EUR 1.57 bn) outweighed outflows (EUR 1.25 bn). The advance, among others, was supported by inflows on the back of an agreement with the World Bank, representing EUR 500 mn, as well as fresh funds from the European Commission, in value of EUR 450 mn. On the other hand, the depreciation of several reserve currencies (like the US dollar and pound sterling) against the euro had a negative impact on the evolution of the central bank's FX reserves. At the same time, the gold stock remained again unchanged, at 103.7 tones. We recall that the level of the NBR's FX reserves appear to be relatively high, covering easily short-term debt and imports (for more about the reserve adequacy rules as well as Romania's external vulnerability please see our latest balance of payments [report](#)).

Industrial producer prices picked up in July, posting 3.0% YoY increase, up from 2.5% YoY a month earlier, first of all, helped by a positive base effect. In MoM terms, producer prices were flat in July.

Tomorrow morning, the detailed Q2 GDP statistics will see the light of day. The flash GDP growth estimate for the second quarter (1.6% QoQ and 5.9% YoY) beat market expectations (including us) by a wide margin. On Thursday, the NIS will publish net wage statistics for July.

The EUR/RON continued to stay at elevated levels, finishing Friday's trading session near 4.60. Politics may remain in the spotlight this week too, with potentially important decisions about the future of the mandatory private system. North Korea's latest nuclear test left its mark on global trading sentiment this morning.

On Friday, Romania's key equity indices rebounded, following a two-day long plunge, led by financial stocks.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
4-Sep	Monday	July	3.0	2.5	2.5
		July			
5-Sep	Tuesday	Q2 2017	Detailed GDP growth rate (YoY%, provisional data 1)		5.9
6-Sep	Wednesday	no data			
7-Sep	Thursday	July	Net wage growth rate (YoY%)		14.5
8-Sep	Friday	no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		31-Aug-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.8052	↑	0.22	↑	18.15	↑ 20.44
OTP Obligatiuni	RON	14.8889	↑	0.25	↑	1.46	↑ 1.57
OTP ComodisRO	RON	17.2488	↑	0.09	↑	0.84	↑ 1.26
OTP Euro Bond	EUR	12.7901	↑	0.34	↑	1.13	↑ 0.83
OTP Dollar Bond	USD	10.9893	↑	0.19	↑	1.27	↑ 1.32
OTP Premium Return	RON	11.5793	↑	0.44	↑	3.77	↑ 4.92
OTP Euro Premium Return	EUR	9.8491	↑	0.29	↓	-1.14	↓ -1.13
OTP Global Mix	RON	11.2576	↑	0.31	↑	4.29	↑ 7.32

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