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# Daily Report – Romania

Date: 13.09.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,040.06	↑ 0.38	↑ 0.30
BET-TR	10,661.86	↑ 0.37	↑ 0.34
BET-FI	36,990.44	↑ 0.82	↑ 2.58
BET-XT	747.79	↑ 0.39	↑ 0.86
TLV	2.26	↑ 0.44	↓ -0.66
BRD	0.85	↑ 1.19	↓ -0.93
SNG	12.94	↓ -0.15	↑ 2.37
TGN	401.00	↑ 0.25	↑ 1.52
TEL	1.20	↑ 2.39	↑ 7.33

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.66	⇒ 0.0	⇒ 0.0
12 month	0.83	⇒ 0.0	⇒ 0.0
3 year	1.88	↓ -0.5	↑ 0.5
5 year	2.61	⇒ 0.0	↑ 1.5
10 year	3.88	⇒ 0.0	↓ -1.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	9.9Y	RON 200 mn	RON 200 mn
Thursday	6.6Y	RON 500 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.54	↓ -2.0	↓ -6.0
3M ROBOR	0.96	↑ 1.0	↑ 1.0
6M ROBOR	1.13	↓ -1.0	↓ -1.0
1Y ROBOR	1.33	↑ 1.0	↑ 1.0
5Y CDS	89.06	↑ 0.0	↑ 1.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6010	⇒ 0.00	↑ 0.09
USD/RON	3.8709	↑ 0.68	↑ 0.40
CHF/RON	4.0140	↑ 0.25	↓ -0.46
100HUF/RON	0.0149	↓ -0.31	↓ -0.38

Sources: Reuters, OTP Research

**Summary**

- The definitely strong domestic demand put pressure on Romania's current account deficit.
- In July, the turnover index of market services inched up 2.1% MoM.
- Construction works grew by 1.4% YoY in July, following 7.4% fall in June.
- Yesterday the EUR/RON was little changed, while Romanian stocks mostly increased.

Romania's current account deficit continued to increase, pointing to EUR 3.63 bn gap in the first seven month of the year, a report of the NBR said yesterday. In the same period of the previous year, the deficit stood at EUR 2.23 bn. The strong revival of the EU's economy helped the export of goods to perform quite well in the period of January-July (+10.1% YoY) but this was not enough to outpace domestic-demand-fuelled imports' growth (+12.7% YoY). In this context, the balance of goods posted a larger deficit (EUR 6.2 bn vs. EUR 4.8 bn). At the same time, services' balance, another important component of the current account, registered EUR 4.5 bn surplus, practically unchanged compared to the same period of 2016.

A series of fresh economic activity data were published this morning by Romania's statistical office, suggesting that, overall, the country's economy started Q3 in good shape. The turnover index of market services rendered mainly to enterprises grew by 15.1% YoY (gross data) in July, while compared to the previous month, it registered 2.1% gain (seasonally and working day adjusted data). The growth rate of transport services' turnover accelerated nicely (16.4% YoY vs. 12.0% YoY a month earlier), helped chiefly by the surge of air transports, but the IT sector started to lose steam, pointing to only 2.5% YoY advance, versus June's 9.5% surge, the detailed figures also showed.

Wholesale trades increased by 7.6% YoY in July, picking up from June's 3.3% advance. In month-over-month comparison, the index added 1.6% (SWDA), another fresh report of the NIS revealed.

In July, the annual growth rate of construction works came out from negative territory, registering 1.4% YoY gain. This positive evolution was mainly helped by fading base effects. The residential segment continued to register stellar growth rates (+104.5% YoY), but the other segments offset this exceptional performance, given mainly the plunge in public investments.

The leu finished yesterday's trading flat against the euro, while the other currencies of the CEE region mostly weakened. Simultaneously, the BET grew 0.4%, amid mixed sentiment on global markets.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
12-Sep	Tuesday	August			
		Consumer price index (YoY%)	1.2	1.45	1.4
12-Sep	Tuesday	July			
		Industrial production (YoY%)	7.4		9.2
13-Sep	Wednesday	July			
		CA balance (EUR mn, YTD)	-3,631		-3,002
13-Sep	Wednesday	July			
		Turnover of market serv. provided to the population (YoY%)	19.9		13.7
14-Sep	Thursday	July			
		Turnover of market serv. rendered mainly to enterp. (YoY%)	15.1		13.3
14-Sep	Thursday	July			
		Wholesale turnover index (YoY%)	7.6		3.3
14-Sep	Thursday	July			
		Construction works (YoY%)	1.4		-7.4
14-Sep	Thursday	August			
		New passenger car registrations (YoY%)	-3.3		5.3
15-Sep	Friday				
			no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		12-Sep-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.9511	↑	0.52	↑	19.75	↑ 23.00
OTP Obligatiuni	RON	14.9097	↑	0.26	↑	1.60	↑ 1.59
OTP ComodisRO	RON	17.2544	↑	0.09	↑	0.87	↑ 1.25
OTP Euro Bond	EUR	12.8173	↑	0.36	↑	1.34	↑ 0.95
OTP Dollar Bond	USD	10.9995	↑	0.20	↑	1.36	↑ 1.41
OTP Premium Return	RON	11.6333	↑	0.74	↑	4.26	↑ 5.44
OTP Euro Premium Return	EUR	9.9043	↑	1.13	↓	-0.58	↓ -0.64
OTP Global Mix	RON	11.3586	↑	1.31	↑	5.22	↑ 8.81

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