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Daily Report – Romania

Date: 09.10.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,006.37	↑ 0.28	↑ 1.42
BET-TR	10,615.65	↑ 0.28	↑ 1.42
BET-FI	36,883.53	↓ -0.10	↓ -1.36
BET-XT	743.22	↑ 0.16	↑ 0.87
TLV	2.35	↑ 1.51	↑ 5.86
BRD	12.74	↑ 0.31	↑ 2.58
SNG	12.80	↓ -0.62	↓ -0.78
TGN	31.20	↓ -0.16	↑ 0.97
TEL	0.29	↓ -0.17	↓ -0.17

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.40	↑ 15.5	↑ 29.0
12 month	1.50	↑ 16.5	↑ 31.0
3 year	2.40	↑ 14.5	↑ 20.5
5 year	3.02	↑ 14.0	↑ 16.5
10 year	4.22	↑ 16.5	↑ 12.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.6Y	RON 300 mn	RON 0 mn
Thursday	12M	RON 600 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.88	↑ 1.0	↓ -11.0
3M ROBOR	1.79	↑ 1.0	↑ 8.0
6M ROBOR	1.91	↑ 4.0	↑ 13.0
1Y ROBOR	1.94	↑ 6.0	↑ 14.0
5Y CDS	90.73	↑ 0.1	↓ -0.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5710	↓ -0.14	↓ -0.32
USD/RON	3.8932	↓ -0.20	↓ -0.37
CHF/RON	3.9772	↓ -0.26	↓ -0.77
100HUF/RON	0.0147	↑ 0.00	↓ -0.14

Sources: Reuters, OTP Research

Summary

- Romania's Q2 GDP growth was revised upward from 5.9% to 6.1%.
- In August, wage growth slowed a bit due to vanishing base effects, but overall remained at elevated levels (+13.9% YoY).
- Romania's trade deficit continued to widen in August, despite the acceleration of exports.
- Today the NBR will publish the minutes of last week's monetary policy meeting.
- The leu firmed yesterday.

The National Institute of Statistics (NIS) revised upward its Q2 GDP growth estimation by 0.2 percentage points, to 6.1% YoY (gross data). In seasonally adjusted terms, Romania's economy expanded by 1.7% QoQ in the second quarter of the year, faster than previously thought (+1.6% QoQ). The upward revision primarily was the result of the stronger performance of industry and a less sharp fall of construction output.

In August, the growth rate of net wages slowed down slightly, but overall it remained at elevated levels, the NIS said yesterday. Wage growth stood at 13.9% YoY in August, the latest data showed, after the 15.1% YoY gain a month earlier. A modest deceleration was primarily due to public sector wages (24.2% YoY versus 29.8% YoY), given the fading base effects, while in the case of the private sector, the growth pace remained broadly unchanged (11.3% YoY versus 11.5% YoY).

Romanian exports (FOB) increased by 10.7% YoY in August, up from July's 8.6% YoY, a report of the NIS revealed this morning. Romanian imports (CIF) lost a bit of steam, adding 9.3% YoY in August, down from 14.0% YoY in the previous month. Despite the rebound of exports, the FOB-CIF trade deficit continued to widen in August, reaching EUR 7.88 bn in the first eight months of the year.

The turnover index of industry accelerated in August, registering 13.5% YoY growth, after July's 10.0% YoY advance. Simultaneously, new orders also got impetus, recording 17.3% increase (versus 12.5% YoY in July).

Today the NBR will reveal the minutes about last week's monetary policy [meeting](#).

Yesterday the leu firmed around 0.1% against the euro, ending yesterday's trading session near 4.57. The movement was in line with the trends seen at the other currencies of the CEE region. The BET increased 0.3% on Monday, helped by the 1.5% rally of Banca Transilvania.

All of the bids were rejected in yesterday's bond auction.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
9-Oct	Monday	August	Net wage growth rate (YoY%)	13.9	15.1
10-Oct	Tuesday	Q2 2017	Detailed GDP growth rate (YoY%, provisional data 2)	6.1	5.9
		August	Industrial trade turnover index (YoY%)	13.5	10.0
		August	Index value of new orders in manufacturing (YoY%)	17.3	12.3
		August	Exports (FOB, YoY%)	10.7	8.6
		August	Imports (CIF, YoY%)	9.3	14.0

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		6-Oct-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.9194	↑	1.09	↑	19.40	↑ 21.41
OTP Obligatiuni	RON	14.8848	↓	-0.13	↑	1.43	↑ 1.26
OTP ComodisRO	RON	17.2645	↑	0.08	↑	0.93	↑ 1.18
OTP Euro Bond	EUR	12.8080	↓	-0.02	↑	1.27	↑ 0.76
OTP Dollar Bond	USD	11.0043	↑	0.06	↑	1.41	↑ 1.32
OTP Premium Return	RON	11.6781	↑	0.75	↑	4.66	↑ 5.77
OTP Euro Premium Return	EUR	9.9279	↑	0.70	↓	-0.34	↓ -0.33
OTP Global Mix	RON	11.4547	↑	1.73	↑	6.11	↑ 9.13

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