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Daily Report – Romania

Date: 11.12.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,614.51	↓ -1.03	↓ -2.16
BET-TR	10,239.65	↓ -1.02	↓ -2.15
BET-FI	39,136.70	↑ 0.12	↑ 0.74
BET-XT	724.62	↓ -0.81	↓ -1.72
TLV	2.10	↓ -1.87	↓ -1.87
FP	0.85	↓ -0.24	→ 0.00
SNG	31.50	↓ -0.32	↓ -0.32
BRD	12.50	↓ -2.95	↓ -5.30
SNP	0.28	↓ -0.71	↓ -2.77

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.12	↑ 2.5	↓ -22.0
12 month	2.33	↑ 3.5	↓ -19.5
3 year	3.40	↑ 1.5	↓ -6.0
5 year	3.72	↑ 1.0	↓ -5.5
10 year	4.41	↑ 1.5	↓ -10.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.4Y	RON 200 mn	RON 0 mn
Thursday	12M	RON 400 mn	
Thursday	4.2Y	RON 400 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.22	↓ -3.0	↓ -92.0
3M ROBOR	2.15	→ 0.0	↓ -6.0
6M ROBOR	2.31	→ 0.0	↓ -4.0
1Y ROBOR	2.36	↓ -1.0	↓ -4.0
5Y CDS	89.12	↓ 0.0	↓ -1.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6323	↑ 0.01	↑ 0.02
USD/RON	3.9361	↓ -0.04	↑ 0.84
CHF/RON	3.9684	↑ 0.09	↑ 0.15
100HUF/RON	0.0147	↓ -0.26	↓ -0.27

Sources: Reuters, OTP Research

Summary

- In November, Romania's annual inflation continued to increase rapidly, by 3.2% vs. 2.6% a month earlier.
- The turnover index of industry went up 17.2% YoY in October.
- New orders in industry grew 19.4% YoY.
- The Treasury rejected all bids in yesterday's bond auction.

In November, Romania's consumer price inflation registered another sharp advance, reaching 3.2% YoY, up from 2.6% YoY a month earlier. The acceleration was mainly driven by higher fuel prices, after crude oil quotations continued to increase. At the same time, both processed and unprocessed food inflation climbed, with egg prices pointing to the largest growth (43.4% YoY). Moreover, tobacco products became more expensive too, explaining an important portion in the acceleration of the headline data, while the weaker leu also put pressure on the CPI. In month-over-month comparison, the consumer price index rose by 0.7%. Given the steep upward trajectory of consumer prices as well as the outlook of further acceleration, the NBR may consider further tightening steps in the following period, after narrowing the interest rate corridor in the previous few months.

Favourable statistics came out about Romania's industrial sector this morning. The turnover index of industrial trade picked up in October, recording 17.4% YoY gain, after September's 11.9% surge. Meanwhile, new orders also advanced by 19.4% YoY.

The leu was traded in a very narrow range yesterday, ending Monday's session virtually unchanged, near 4.63. The other currencies of the CEE region mostly weakened against the euro.

The Ministry of Finance rejected all bids in yesterday's 5.4Y bond tender. Demand was quite weak, with dealers subscribing to only RON 190.2 mn. Simultaneously, government securities' yield curve shifted two basis points higher on average.

Romanian stocks underperformed their Western European peers, with the BET, Romania's benchmark, giving up 1.0%. Banking sector shares slumped significantly.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
11-Dec	Monday	October	Exports (FOB, YoY%)	13.3	6.0
		October	Imports (CIF, YoY%)	16.7	9.2
		October	Net wage growth rate (YoY%)	13.5	13.5
12-Dec	Tuesday	November	Consumer price index (YoY%)	3.2	2.95
		October	Industrial trade turnover index (YoY%)	17.2	11.9
		October	Index value of new orders in manufacturing (YoY%)	19.4	5.1
13-Dec	Wednesday	October	Turnover of market serv. provided to the population (YoY%)		15.2
		October	Industrial production (YoY%)		4.2

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		8-Dec-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.9352	↑	0.23	↑	19.58	↑ 22.08
OTP Obligatiuni	RON	14.9242	↑	0.12	↑	1.70	↑ 1.85
OTP ComodisRO	RON	17.3001	↑	0.10	↑	1.14	↑ 1.20
OTP Euro Bond	EUR	12.8330	↑	0.09	↑	1.47	↑ 1.64
OTP Dollar Bond	USD	11.0211	↑	0.03	↑	1.56	↑ 1.80
OTP Premium Return	RON	11.8054	↑	0.41	↑	5.80	↑ 6.82
OTP Euro Premium Return	EUR	9.9663	↓	-0.24	↑	0.04	↑ 1.05
OTP Global Mix	RON	11.6141	↓	-0.25	↑	7.59	↑ 9.43

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