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Daily Report – Romania

Date: 16.01.2018

STOCK EXCHANGE				
	Close	Daily chg. (%)	Weekly chg. (%)	
BET	8,233.13	↓ -0.26	↑ 2.47	
BET-TR	11,068.70	↓ -0.26	↑ 2.49	
BET-FI	42,105.48	↑ 0.40	↑ 2.20	
BET-XT	781.49	↓ -0.10	↑ 2.33	
TLV	2.28	↓ -0.65	↑ 4.35	
SNN	7.80	↑ 0.52	↑ 2.24	
SNG	33.90	↑ 0.30	↑ 4.47	
BRD	13.60	↓ -1.02	↑ 0.59	
TGN	418.00	⇒ 0.00	↑ 2.84	

GOV'T BOND MARKET				
Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)	
6 month	1.86	↑ 1.5	↑ 1.5	
12 month	2.14	↑ 0.5	⇒ 0.0	
3 year	3.34	↑ 1.0	↓ -1.0	
5 year	3.80	↑ 0.5	↓ -0.5	
10 year	4.23	↑ 1.5	↓ -5.0	

GOV'T BOND AUCTIONS			
	Maturity	Auctions	Sold
Monday	12M	RON 800 mn	RON 0 mn
Monday	3.8Y	RON 700 mn	RON 700 mn
Thursday	5.4Y	RON 500 mn	

MONEY MARKET			
	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.12	⇒ 0.0	↓ -4.0
3M ROBOR	1.98	⇒ 0.0	↓ -6.0
6M ROBOR	2.22	⇒ 0.0	↓ -3.0
1Y ROBOR	2.35	↑ 1.0	⇒ 0.0
5Y CDS	77.44	↓ -0.3	↓ -8.4

FX MARKET			
	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6563	↑ 0.38	↑ 0.21
USD/RON	3.7978	↑ 0.41	↓ -2.44
CHF/RON	3.9572	↑ 0.77	↓ -0.03
100HUF/RON	0.0151	↑ 0.40	↑ 0.49

Sources: Reuters, OTP Research

Summary

- On Tuesday the political turmoil, triggered by the resignation of PM Tudose, left its mark on the leu's exchange rate.
- Today President Iohannis meets with political parties for consultation about the new cabinet.
- The leu is close to its economic fundamentals, NBR's deputy-governor Voinea said.
- GS's yield curve shifted a few basis points higher yesterday.
- The BET fell 0.3%.

Yesterday the leu weakened further, with the EUR/RON approaching record high. The leu started to lose ground compared to the common European currency on Monday night, after premier Mihai Tudose was forced to resign, as he lost the support of the ruling Social Democrat Party (PSD). According to press information, this came on the back of increased tensions between PSD leader Mr Dragnea and PM Mr Tudose. It is also important to mention that Mr Tudose was the second ousted premier in less than a year.

Nonetheless, the PSD party swiftly nominated European Parliament member Viorica Dancila as new PM candidate. This quick move could ease the tensions on the leu, as it reduces the chance of a prolonged political crisis inside the party. However, uncertainties are set to linger, as President Klaus Iohannis was not certain to accept the PSD's nominee. Today President Iohannis will meet with the representatives of the political parties for consultation about the new cabinet.

The exchange rate of the leu is close to its fundamentals, NBR deputy governor Mr Voinea said on a conference in Vienna.

On Tuesday, government securities' yield curve showed a parallel upward shift, the NBR's data revealed.

Bucharest's benchmark index, the BET eased 0.3% yesterday, recovering the large part of its early morning losses. Simultaneously, the BET-FI was able to record 0.4% gain.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
15-Jan	Monday	November	CA balance (EUR mn, YTD)	-5,581	-5,161
		November	Turnover of market serv. provided to the population (YoY%)	18.3	20.2
		November	Construction works (YoY%)	-4.2	-12.2
16-Jan	Tuesday	November	Turnover of market serv. rendered mainly to enterp. (YoY%)	12.6	13.2
		November	Wholesale turnover index (YoY%)	7.6	12.5
17-Jan	Wednesday	December	New passenger car registrations (YoY%)	-25.3	-3.5

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		15-Jan-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.5976	↑	6.05	↑	4.68	↑ 25.12
OTP Obligatiuni	RON	14.9706	↑	0.27	↑	0.14	↑ 1.92
OTP ComodisRO	RON	17.3335	↑	0.16	↑	0.08	↑ 1.30
OTP Euro Bond	EUR	12.8321	↓	-0.02	↓	-0.03	↑ 1.30
OTP Dollar Bond	USD	11.0275	↑	0.07	↑	0.05	↑ 1.55
OTP Premium Return	RON	11.9192	↑	0.84	↑	0.61	↑ 6.53
OTP Euro Premium Return	EUR	10.1007	↑	1.26	↑	0.88	↑ 1.52
OTP Global Mix	RON	11.8244	↑	1.49	↑	1.30	↑ 9.86

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