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Daily Report – Romania

Date: 17.01.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,316.59	↑ 1.01	↑ 3.51
BET-TR	11,181.43	↑ 1.02	↑ 3.53
BET-FI	42,264.64	↑ 0.38	↑ 1.78
BET-XT	788.18	↑ 0.86	↑ 3.02
SNG	34.80	↑ 2.65	↑ 6.91
TLV	2.30	↑ 0.88	↑ 5.02
FP	0.92	↑ 0.66	↑ 3.14
EL	11.78	↓ -0.17	↑ 1.73
SNN	7.98	↑ 2.84	↑ 5.70

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.85	↓ -0.5	→ 0.0
12 month	2.13	↓ -0.5	↑ 0.5
3 year	3.34	→ 0.0	↓ -2.5
5 year	3.79	↓ -1.0	↓ -2.0
10 year	4.22	↓ -0.5	↓ -0.5

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	1.10	↓ -2.0	↓ -4.0
3M ROBOR	1.97	↓ -1.0	↓ -6.0
6M ROBOR	2.22	→ 0.0	↓ -3.0
1Y ROBOR	2.35	→ 0.0	↑ 1.0
5Y CDS	77.48	↑ 0.0	↓ -7.7

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6472	↓ -0.20	↑ 0.16
USD/RON	3.8136	↑ 0.41	↓ -1.80
CHF/RON	3.9489	↓ -0.21	↓ -0.52
100HUF/RON	0.0151	↓ -0.11	↑ 0.46

Sources: Reuters, OTP Research

Summary

- On Wednesday, Romania's leu reversed some of its earlier losses, after President Iohannis designated PSD's PM nominee, Viorica Dancila as the new head of cabinet.
- New passenger car registrations increased by 10.7% in 2017.
- Bucharest's stock indices soared yesterday.

On Wednesday, Romania's leu revived, pushing back the EUR/RON cross near 4.65. This came after President Mr Iohannis accepted the nominee of Social Democrats, Viorica Dancila, as prime minister designate. In this manner, the President avoided a potential escalation of the political crisis triggered by the forced resignation of Prime Minister Mr Tudose. He was the second ousted premier since Social Democrat Party (PSD) won the elections at the end of 2016. According to media reports, the resignation of Mr Tudose came after his relationship with PSD leader Mr Dragnea had deteriorated significantly. Viorica Dancila, the new PM designate, is a member of the European Parliament representing PSD and is regarded as more loyal to the party leader Mr Dragnea.

In 2017, new passenger car sales went up to almost 105,100 (+10.7% YoY), according to the provisional figures of the ACEA (European Automobile Manufacturers Association). Nonetheless, car registrations fell by 25.3% YoY in the last month of 2017, the report also showed. Our in-house seasonally adjusted data point to 3.8% fall in December 2017 compared to the level seen a month earlier, suggesting that car sales lost some impetus at the end of the year.

Despite the rather gloomy trading sentiment on European equity markets, Bucharest's BET index rallied 1% yesterday, helped among others by easing tensions on the political scene. The shares of Nuclearelectrica, Romgaz and OMW Petrom soared more than 2% each, but there were other companies too, which registered healthy gains, including Banca Transilvania (+0.9%). Romania's second largest financial institution Banca Transilvania announced recently that it had officially become a shareholder of Victoriabank, the third largest bank in Republic of Moldova.

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	
18-Jan	Thursday		no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		16-Jan-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.6154	↑	6.21	↑	4.84	↑ 25.28
OTP Obligatiuni	RON	14.9750	↑	0.30	↑	0.17	↑ 1.93
OTP ComodisRO	RON	17.3341	↑	0.16	↑	0.08	↑ 1.29
OTP Euro Bond	EUR	12.8318	↓	-0.03	↓	-0.03	↑ 1.28
OTP Dollar Bond	USD	11.0275	↑	0.07	↑	0.05	↑ 1.53
OTP Premium Return	RON	11.9323	↑	0.96	↑	0.72	↑ 6.57
OTP Euro Premium Return	EUR	10.1012	↑	1.26	↑	0.89	↑ 1.31
OTP Global Mix	RON	11.8604	↑	1.80	↑	1.61	↑ 10.08

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