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Daily Report – Romania

Date: 25.01.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,413.46	↓ -0.27	↑ 1.16
BET-TR	11,314.62	↓ -0.28	↑ 1.19
BET-FI	42,927.69	↓ -0.21	↑ 1.57
BET-XT	799.83	↓ -0.21	↑ 1.48
TLV	2.35	↓ -0.84	↑ 2.17
SNP	0.31	↑ 0.32	↓ -1.27
BRD	13.80	↓ -0.72	↑ 1.62
EL	12.12	↑ 0.17	↑ 2.89
SNG	35.20	↓ -1.26	↑ 1.15

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.81	↓ -3.0	↓ -4.5
12 month	2.11	↓ -4.5	↓ -2.5
3 year	3.40	↑ 3.0	↑ 6.5
5 year	3.86	↑ 2.0	↑ 7.0
10 year	4.31	↑ 1.0	↑ 8.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.3Y	RON 500 mn	RON 0 mn
Thursday	2.7Y	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.18	↑ 5.0	↑ 8.0
3M ROBOR	1.98	↑ 1.0	↑ 1.0
6M ROBOR	2.24	↑ 3.0	↑ 2.0
1Y ROBOR	2.36	↑ 1.0	↑ 1.0
5Y CDS	76.04	↓ -2.0	↓ -1.4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6750	↑ 0.23	↑ 0.47
USD/RON	3.7713	↑ 0.31	↓ -0.82
CHF/RON	4.0075	↑ 0.79	↑ 1.07
100HUF/RON	0.0151	↑ 0.27	↑ 0.20

Sources: Reuters, OTP Research

Summary

- Last year new commercial vehicle registrations fell 1.2% YoY.
- NPL sales and write-downs may have weighed on loan growth in December.
- The EUR/RON marched near record high on Thursday.
- The MoF sold RON 500 mn debt, as planned.

In 2017, the number of new commercial vehicle registrations fell by 1.2%, to around 22,789, the European Automobile Manufacturers Association said yesterday. The report also pointed out that the last month of 2017 was particularly weak, as vehicle sales dropped sharply, by 30% YoY. This came after another batch of quite disappointing data in November (-16.9% YoY). Our in-house seasonally adjusted figures pointed to 5.6% MoM slip in December. The latest figures suggest that most recently companies in the transport industry became more cautious about starting new investments, after a strong recovery in 2015 and 2016. In the EU28, demand for new commercial vehicles increased last year, as reflected by the increasing number of registrations (+3.2%, to around 2.4 mn).

Yesterday the NBR revealed detailed non-government loan and deposit statistics for December. We wrote [earlier](#) that the growth rate of private credit lost some steam in December, recording 5.6% annual gain, down from November's 6.8% advance. The detailed data of the central bank showed that the value of overdue loans (a proxy for non-performing loans) eased by RON 2.55 bn in the last month of 2017. This indicates that a significant portion of December's deceleration was due to banks' efforts to clean up their balance sheets.

On Thursday, the leu underperformed its CEE region's rivals, sending the EUR/RON near a record high, slightly above the 4.67 threshold. Romania's leu lost ground compared to the US dollar too, after the USD/EUR had a zigzag day, after press statements from ECB chief Draghi and US President Trump. Mr Draghi spoke at a press conference after the ECB had left the benchmark interest rates unchanged on its monetary policy meeting, while Mr Trump made a speech at the World Economic Forum in Davos.

Yesterday Romania's Ministry of Finance sold the planned RON 500 mn of 2.7Y securities, the central bank's data showed. The average accepted yield was at 3.40%, marginally higher than on a similar auction in December (3.38%). The bid-to-cover ratio stood at 1.15.

The BET lost 0.3% on Thursday, broadly in line with its Western European peers.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
22-Jan	Monday	no data			
23-Jan	Tuesday	December	Non-government loans (YoY%)	5.6	6.8
		December	Non-government deposits (YoY%)	10.4	11.4
24-Jan	Wednesday	Q3 2017	Government deficit (ESA, % of GDP, 4Q rolling)	3.1	3.2
25-Jan	Thursday	December	New commercial vehicle registrations (YoY%)	-30.0	-16.9
26-Jan	Friday	no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		23-Jan-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.9175	↑	7.20	↑	7.56	↑ 27.77
OTP Obligatiuni	RON	14.9852	↑	0.33	↑	0.24	↑ 1.98
OTP ComodisRO	RON	17.3423	↑	0.18	↑	0.13	↑ 1.32
OTP Euro Bond	EUR	12.8370	↑	0.01	↑	0.01	↑ 1.33
OTP Dollar Bond	USD	11.0317	↑	0.11	↑	0.08	↑ 1.60
OTP Premium Return	RON	11.9540	↑	0.93	↑	0.90	↑ 6.79
OTP Euro Premium Return	EUR	10.1280	↑	1.20	↑	1.15	↑ 2.35
OTP Global Mix	RON	11.9091	↑	2.09	↑	2.02	↑ 10.90

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