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# Daily Report – Romania

Date: 23.02.2018

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,356.13	↑ 0.79	↑ 0.33
BET-TR	11,237.19	↑ 0.78	↑ 0.33
BET-FI	41,566.63	↑ 0.25	↓ -0.51
BET-XT	787.23	↑ 0.53	↓ -0.03
TLV	2.37	↑ 0.21	↑ 1.07
FP	0.94	↑ 2.30	↑ 1.74
SNG	35.65	↑ 0.28	↑ 0.28
TGN	406.00	→ 0.00	↑ 1.12
SNN	8.06	→ 0.00	↓ -1.95

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.06	↓ -0.5	↓ -0.5
12 month	2.30	↓ -2.5	↓ -4.0
3 year	3.43	↓ -3.0	↓ -5.5
5 year	3.93	↓ -2.0	↓ -4.5
10 year	4.51	↓ -1.5	↓ -6.0

**GOV'T BOND AUCTIONS**

Maturity	Auctions	Sold

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.31	→ 0.0	↓ -2.0
3M ROBOR	2.09	→ 0.0	↑ 2.0
6M ROBOR	2.42	↑ 2.0	↑ 4.0
1Y ROBOR	2.52	↑ 1.0	↑ 3.0
5Y CDS	77.03	↑ 0.1	↓ -0.4

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6545	↓ -0.03	↓ -0.14
USD/RON	3.7845	↑ 0.23	↑ 0.75
CHF/RON	4.0445	↓ -0.08	↓ -0.11
100HUF/RON	0.0149	↓ 0.00	↓ -0.67

Sources: Reuters, OTP Research

**Summary**

- In January, non-government loan growth accelerated, pointing to 6.8% YoY gain.
- The EUR/RON closed last week below 4.66.
- Thousands demonstrated to support chief anti-corruption prosecutor Laura Kovesi.

In January, non-government loans increased by 6.8% YoY, up from December's 5.6% YoY, a report of the National Bank of Romania showed. The foreign-currency-adjusted growth rate also accelerated, from 4.9% YoY to 5.9% YoY, according to our in-house estimation. The pick-up was broad-based, with both company credit and household loans pointing to faster pace. It is also important to note that base effects helped the acceleration as well (loan growth was disappointing in January 2017, but the negative impact coming from this fall dropped out from the statistical base). The stock of non-financial company loans advanced 3.8% YoY last month (4.0% FX adjusted), versus 2.2% YoY (1.5% FX adjusted) a month earlier, the statistics revealed. Simultaneously, household loans rose 8.4% YoY (7.6%), up from 7.8% YoY (7.1%), after housing credit pointed to 14.0% YoY gain (12.9%), 0.8 percentage points higher than in December, while consumer loans marginally accelerated, to 2.4% YoY (1.9%). Non-government deposits, continued to grow faster than credits in January, pointing to 12.4% YoY increase, after adding 10.4% in December.

The statistics for January suggest that the shock caused by the sharp increase in borrowing costs was not too large up to this moment, as the housing segment, the most sensitive credit type for interest rate changes, continued to accelerate, remaining the key driver of loan growth in the first month of the year. Nevertheless, it cannot be excluded that the negative effect of higher ROBOR rates will spill over somewhat slower. Therefore, statistics about loan dynamics will be worth checking in the following months too.

Optimism characterized Friday's trading on global financial markets. Romania's leu was traded below the 4.66 threshold despite the political noise. On Thursday evening, Romania's justice minister called for the removal of the country's chief anti-corruption prosecutor, Laura Codruta Kovesi, triggering mass protests in several cities. Demonstrators worried that the removal of the chief prosecutor puts in danger the fight against graft.

Similarly to its Western European and US peers, the BET index closed in positive territory on Friday. The shares of Fondul Proprietatea registered the largest gain (+2.3%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
26-Feb	Monday	no data			
27-Feb	Tuesday	February	Economic Sentiment Indicator		103.3
		February	Consumer Confidence Indicator		-26.4
28-Feb	Wednesday	January	Licenses for residential buildings (YoY%)		8.1
1-Mar	Thursday	January	ILO unemployment rate (% , seasonally adjusted)		4.6
		February	FX Reserves (EUR bn)		33.5
2-Mar	Friday	January	Producer Price Index (YoY%)		3.7
		January	Tourists' overnight stays (YoY%)		11.5

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		22-Feb-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	11.4814	↓ -3.52	↑ 3.63	↑ 16.14		
OTP Obligatiuni	RON	15.0106	↑ 0.20	↑ 0.41	↑ 1.97		
OTP ComodisRO	RON	17.3885	↑ 0.27	↑ 0.40	↑ 1.50		
OTP Euro Bond	EUR	12.8117	↓ -0.17	↓ -0.18	↑ 1.02		
OTP Dollar Bond	USD	11.0292	↑ 0.00	↑ 0.06	↑ 1.32		
OTP Premium Return	RON	11.8188	↓ -1.10	↓ -0.24	↑ 3.50		
OTP Euro Premium Return	EUR	9.7818	↓ -3.29	↓ -2.30	↓ -3.01		
OTP Global Mix	RON	11.7177	↓ -1.41	↑ 0.38	↑ 5.58		

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