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Daily Report – Romania

Date: 26.02.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,379.01	↑ 0.27	↑ 0.77
BET-TR	11,268.16	↑ 0.28	↑ 0.77
BET-FI	41,632.40	↑ 0.16	↓ -0.51
BET-XT	789.79	↑ 0.33	↑ 0.42
FP	0.93	↓ -0.64	↑ 1.31
TLV	2.39	↑ 1.06	↑ 1.92
SNP	0.31	↓ -0.49	↓ -0.49
SNG	35.65	→ 0.00	↑ 0.14
TGN	410.00	↑ 0.99	↑ 2.37

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.06	→ 0.0	↓ -0.5
12 month	2.33	↑ 3.0	↓ -0.5
3 year	3.43	↑ 0.5	↓ -6.5
5 year	3.94	↑ 0.5	↓ -4.5
10 year	4.50	↓ -1.5	↓ -7.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	9.4Y	RON 200 mn	RON 511.3 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.34	↑ 3.0	↑ 2.0
3M ROBOR	2.09	→ 0.0	↑ 1.0
6M ROBOR	2.42	→ 0.0	↑ 2.0
1Y ROBOR	2.52	→ 0.0	↑ 3.0
5Y CDS	77.02	↓ 0.0	↓ -0.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6582	↑ 0.08	↓ -0.07
USD/RON	3.7817	↓ -0.07	↑ 0.66
CHF/RON	4.0303	↓ -0.35	↓ -0.33
100HUF/RON	0.0148	↓ -0.12	↓ -0.92

Sources: Reuters, OTP Research

Summary

- The EUR/RON climbed slightly higher yesterday; new Fed chief Jerome Powell's first testimony could be in the spotlight today.
- Eurostat releases economic sentiment and consumer confidence data for February.
- Healthy demand characterised Monday's bond auction.
- Romanian stocks mostly finished in the green.

Optimism continued to rule global financial markets yesterday. This came after last week's Fed report to Congress gave little clue if US central bankers were prepared to raise interest rates more aggressively in 2018. On Monday, the US dollar weakened marginally compared to Europe's shared currency, with investors waiting for new Fed chair Jerome Powell's first appearance in front of Congress. The testimony of Mr Powell is planned for today. Yesterday Romania's leu depreciated against the euro, with the cross breaking above 4.66. Nevertheless, the leu was able to recover most of its losses late afternoon and finished the trading session with a modest, 0.1% fall. The other currencies of the CEE region closed mixed compared to the euro.

Today economic sentiment statistics will see the light of day. We recall that in the first month of 2018, Romania's economic sentiment indicator (ESI) decreased slightly to 103.3 points, as confidence among households continued to weaken, probably on the back of swiftly rising borrowing costs and uncertainties coming from several government actions.

Healthy demand characterised yesterday's 9.4Y bond tender, with dealers subscribing for RON 686.3 mn. Benefiting from the strong demand, debt managers sold more than planned in government securities (RON 511.3 mn vs. RON 200 mn), with the average accepted yield at 4.48%.

Amid yesterday's buoyant global trading mood, Romanian stocks performed well, helping the BET index to close 0.3% higher. Only two components of the benchmark index finished in negative territory: the shares of Fondul Proprietatea dropped 0.6% and OMW Petrom gave up 0.5%.

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		23-Feb-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	11.4025	↓ -4.32	↑ 2.92	↑ 15.20		
OTP Obligatiuni	RON	15.0113	↑ 0.17	↑ 0.41	↑ 1.96		
OTP ComodisRO	RON	17.3891	↑ 0.27	↑ 0.40	↑ 1.50		
OTP Euro Bond	EUR	12.8108	↓ -0.20	↓ -0.19	↑ 1.01		
OTP Dollar Bond	USD	11.0289	↓ -0.03	↑ 0.06	↑ 1.29		
OTP Premium Return	RON	11.8283	↓ -1.05	↓ -0.16	↑ 3.62		
OTP Euro Premium Return	EUR	9.7820	↓ -3.42	↓ -2.30	↓ -3.02		
OTP Global Mix	RON	11.7283	↓ -1.52	↑ 0.48	↑ 5.88		

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