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# Daily Report – Romania

Date: 02.03.2018

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,352.22	↓ -0.71	↓ -0.05
BET-TR	11,231.87	↓ -0.71	↓ -0.05
BET-FI	41,622.40	↓ -1.12	↑ 0.13
BET-XT	787.60	↓ -0.84	↑ 0.05
TLV	2.41	↓ -1.23	↑ 1.69
SNG	35.25	↓ -1.95	↓ -1.12
EL	11.58	↓ -0.52	↓ -0.17
SNP	0.31	↓ -0.33	↓ -0.81
FP	0.93	→ 0.00	↓ -0.96

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.04	↓ -0.5	↓ -2.0
12 month	2.32	↓ -0.5	↑ 1.5
3 year	3.40	↑ 1.0	↓ -3.0
5 year	3.99	↑ 6.0	↑ 6.0
10 year	4.55	↑ 8.0	↑ 3.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	13.5Y	RON 100 mn	
Monday	12M	RON 500 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.35	→ 0.0	↑ 4.0
3M ROBOR	2.09	→ 0.0	→ 0.0
6M ROBOR	2.43	↑ 1.0	↑ 1.0
1Y ROBOR	2.54	↑ 1.0	↑ 2.0
5Y CDS	77.12	↑ 0.3	↑ 0.1

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6608	↑ 0.04	↑ 0.13
USD/RON	3.7828	↓ -0.38	↓ -0.05
CHF/RON	4.0351	↑ 0.08	↓ -0.23
100HUF/RON	0.0149	↑ 0.00	↓ -0.08

Sources: Reuters, OTP Research

**Summary**

- In January, Romania's retail trade index dropped by 0.9% MoM (SWDA), most likely, as weaker consumer confidence weighed on the indicator.
- S&P affirmed Romania's investment rating at 'BBB-'.
- Concerns about a potential trade war weighed on Friday's trading sentiment.
- The BET gave up 0.7%.

In January, the growth rate of Romania's retail trade index decelerated, posting 11.1% YoY advance (gross data), after December's 13.4% YoY figure. In month-over-month comparison, the indicator slipped by 0.9% (seasonally and working day adjusted data), the NIS said this morning. January's MoM fall was mainly due to the non-food segment (-1.8%) and to a lesser extent this came on the back of dropping fuel sales (-1.2%). Meanwhile, the food sub-index was little changed (-0.1%). The relatively weak data in the first month of this year suggests that plunging consumer confidence might have weighed on the indicator. We recall that Romania's consumer confidence indicator fell sharply in the past few quarters, most likely, owing to the uncertainties coming from the transfer of social contributions from employers to employees, as well as rising borrowing costs.

S&P has affirmed Romania's rating at 'BBB-', with stable outlook. Nonetheless, the rating agency also warned about the risks coming from higher government budget deficit and rising current account gap.

On Wednesday, the NIS will reveal detailed GDP statistics for Q4 2017. We recall that the country's economy grew by 6.9% YoY in the last quarter of 2017, after posting 8.8% annual gain in Q3, the preliminary data of the NIS showed.

Pessimism continued to rule global financial markets on Friday, as US President Mr Trump announced tariffs on steel and aluminium imports a day earlier. The announcement triggered concerns among investors, lifting the EUR/USD around 0.4% higher on Friday. Meanwhile, the CEE region's currencies changed mixed compared to the euro, with Romania's leu depreciating marginally.

On Friday, the yield curve of Romania's government securities became steeper, with the yield on the 10Y benchmark climbing eight basis points higher.

In line with its Western European peers, Bucharest's BET index finished Friday's session in negative territory, with the shares of Romgaz recording the largest loss (-2.0%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
5-Mar	Monday	January	Retail trade (YoY%)	11.1	13.4
6-Mar	Tuesday		no data		
7-Mar	Wednesday	Q4 2017	Detailed GDP growth rate (YoY%, provisional data)		6.9
8-Mar	Thursday		no data		
9-Mar	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		1-Mar-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.5173	↓	-1.63	↑	3.95	↑ 16.93
OTP Obligatiuni	RON	15.0152	↑	0.11	↑	0.44	↑ 1.96
OTP ComodisRO	RON	17.3962	↑	0.23	↑	0.44	↑ 1.52
OTP Euro Bond	EUR	12.8089	↓	-0.16	↓	-0.21	↑ 0.97
OTP Dollar Bond	USD	11.0336	↓	0.00	↑	0.10	↑ 1.27
OTP Premium Return	RON	11.8112	↓	-0.88	↓	-0.30	↑ 3.57
OTP Euro Premium Return	EUR	9.7513	↓	-2.88	↓	-2.61	↓ -2.25
OTP Global Mix	RON	11.6656	↓	-1.62	↓	-0.06	↑ 5.23

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