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Daily Report – Romania

Date: 06.03.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,432.84	↑ 0.58	↑ 0.21
BET-TR	11,340.60	↑ 0.59	↑ 0.20
BET-FI	42,077.24	↑ 0.00	↑ 0.33
BET-XT	795.77	↑ 0.51	↑ 0.22
TLV	2.46	↑ 0.82	↑ 0.82
FP	0.93	→ 0.00	↑ 0.11
EL	11.80	↑ 2.25	↑ 2.43
SNG	35.95	↑ 1.84	↑ 0.42
BRD	14.08	↑ 0.86	↑ 1.00

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.04	↓ -0.5	↓ -0.5
12 month	2.32	→ 0.0	↓ -0.5
3 year	3.41	↓ -1.5	↓ -1.0
5 year	4.14	↑ 2.0	↑ 20.0
10 year	4.57	↑ 0.5	↑ 8.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	13.5Y	RON 100 mn	RON 0 mn
Monday	12M	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.34	↓ -1.0	→ 0.0
3M ROBOR	2.08	→ 0.0	↓ -1.0
6M ROBOR	2.41	→ 0.0	↓ -1.0
1Y ROBOR	2.54	→ 0.0	↑ 2.0
5Y CDS	76.84	↓ -0.1	↓ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6613	↑ 0.03	↑ 0.00
USD/RON	3.7578	↓ -0.44	↓ -1.42
CHF/RON	3.9946	↓ -0.52	↓ -1.61
100HUF/RON	0.0149	↑ 0.54	↑ 0.36

Sources: Reuters, OTP Research

Summary

- The NIS confirmed Romania's 2017 GDP growth at 7.0% YoY.
- Romania's leu was unchanged compared to the euro, but firmed against the US dollar.
- The BET continued to climb yesterday.

In 2017, Romania's GDP grew by 7.0% in real terms, the NIS said this morning. In Q4 2017, the economy advanced 6.9% YoY (gross data) and 0.6% QoQ (seasonally and working day adjusted data), the NIS's report also pointed out. On the expenditure side, household consumption remained the key driver, registering 2.2% QoQ, and 12.7% YoY gains in the last quarter of 2017. These data may continue to fuel overheating concerns. Nevertheless, it is important to note that investment also picked up, with gross capital formation posting impressive 3.7% QoQ / 12.6% YoY growth paces. This came after a very disappointing performance in the first half of 2017. Net exports continued to record negative contribution to growth, as the domestic-demand-fuelled imports grew faster than exports in Q4 2017 too. On the productions side, industrial output revived (3.0% QoQ / 9.0% YoY) after a slightly disappointing Q3. Meanwhile, market services continued to perform quite well (2.0% QoQ / 7.8% YoY), while construction output also provided some signs for optimism (1.6% QoQ / 0.7% YoY). Nevertheless, agriculture (-23.6% QoQ / -1.6% YoY) weighed on the headline data, but this came after an exceptional result in Q3 2017.

Today the NBR may reveal statistics about interbank liquidity conditions for February 2018.

The EUR/RON showed little variation and finished the day near 4.66 again. The leu strengthened compared to the US dollar and the Swiss franc, after the EUR/USD and the EUR/CHF crosses climbed higher, helped by fading fears about a global trade war, as well as positive news coming from the Korean peninsula. Yesterday investors also digested the outcome of Sunday's Italian general elections.

As concerns ebbed, the stock market rally continued (even in Italy). In line with the global mood, the BET rose by 0.6%, closing near this year's maximum. The strengthening optimism was accompanied by higher liquidity too, lifting equities' total turnover to RON 50 mn in Bucharest.

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	6.9
8-Mar	Thursday		no data		
9-Mar	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		5-Mar-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.4946	↓	-0.65	↑	3.75	↑ 17.03
OTP Obligatiuni	RON	15.0156	↑	0.09	↑	0.44	↑ 1.97
OTP ComodisRO	RON	17.3995	↑	0.23	↑	0.46	↑ 1.53
OTP Euro Bond	EUR	12.8055	↓	-0.17	↓	-0.23	↑ 0.95
OTP Dollar Bond	USD	11.0264	↓	-0.07	↑	0.04	↑ 1.17
OTP Premium Return	RON	11.8039	↓	-0.14	↓	-0.37	↑ 3.52
OTP Euro Premium Return	EUR	9.7180	↓	-2.05	↓	-2.94	↓ -1.93
OTP Global Mix	RON	11.6567	↓	-0.23	↓	-0.14	↑ 5.20

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