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Daily Report – Romania

Date: 14.03.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,601.51	↓ -0.08	↑ 1.88
BET-TR	11,568.09	↓ -0.07	↑ 1.88
BET-FI	41,619.30	↑ 0.21	↓ -0.78
BET-XT	806.45	↓ -0.10	↑ 1.32
BRD	14.74	→ 0.00	↑ 5.29
FP	0.94	↑ 0.54	↑ 0.65
TLV	2.54	→ 0.00	↑ 3.26
SNG	37.05	↓ -0.13	↑ 2.35
SNP	0.31	↓ -0.65	↑ 0.82

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.97	↓ -1.5	↓ -7.5
12 month	2.23	↓ -2.0	↓ -9.5
3 year	3.21	↓ -2.0	↓ -17.0
5 year	4.10	↓ -2.0	↓ -5.0
10 year	4.54	↓ -2.0	↓ -3.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.3Y	RON 400 mn	RON 400 mn
Thursday	9.3Y	RON 300 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.31	↓ -2.0	↓ -4.0
3M ROBOR	2.03	↓ -2.0	↓ -5.0
6M ROBOR	2.36	↓ -1.0	↓ -5.0
1Y ROBOR	2.50	↓ -1.0	↓ -3.0
5Y CDS	76.27	↓ -0.3	↓ -0.6

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6621	↓ -0.23	↑ 0.02
USD/RON	3.7695	↑ 0.05	↑ 1.23
CHF/RON	3.9893	↓ -0.03	↑ 0.18
100HUF/RON	0.0150	↑ 0.02	↑ 1.11

Sources: Reuters, OTP Research

Summary

- In January, the turnover index of market services provided to the population increased 9.7% YoY, but fell by 4.6% on month-over-month comparison.
- New passenger car sales recorded 5.7% YoY gain last month.
- The EUR/RON continued to be traded in a tight range close to 4.66.
- Today the MoF plans to sell RON 300 mn debt; yesterday the yield curve shifted lower.
- On Wednesday, the BET gave up 0.1%

The turnover index of market services provided to the population pointed to a rather weak start at the beginning of this year, recording 4.6% MoM fall (seasonally and working day adjusted data). Nonetheless, the sub-index of accommodation and food services was able to climb higher (+2.5% MoM). Owing to January's disappointing performance, the annual growth rate of the turnover index increased by 9.7% YoY (gross data), still a healthy gain, but far from December's stellar 20.3% YoY advance.

In February, the number of new passenger car registration grew by 5.7% YoY, the ACEA (European Automobile Manufacturers Association) said this morning. This corresponds to a sharp deceleration compared to January, when car sales skyrocketed, registering 66.4% YoY increase.

The EUR/RON hovered in tight range near 4.66. The other CEE region's currencies were able to end the session stronger compared to the euro.

Yesterday the interbank money market rates dropped 1-2 basis points. The excess liquidity on the market helps ROBOR rates to stay at relatively low level.

Yesterday the pessimistic trading sentiment continued. Concerns about a possible trade war intensified after Mr. Trump's announcement. The US President would raise tech article tariffs, which may lead to a response from Chinese authorities. The negative mood couldn't be attenuated by the fact that Trump's new economic advisor was largely accepted by the market. The major indices ended the session mostly in red territory as well as the BET, which decreased by 0.1%, after a seven-day rally. The Bucharest Stock Exchange was characterized by healthy liquidity.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
12-Mar	Monday	January	Exports (FOB, YoY%)	15.9	4.2
		January	Imports (CIF, YoY%)	17.3	10.8
13-Mar	Tuesday	February	Consumer price index (YoY%)	4.7	4.7
		January	Net wage growth rate (YoY%)	8.0	11.7
14-Mar	Wednesday	January	Industrial production (YoY%)	8.5	9.0
		January	Industrial trade turnover index (YoY%)	20.7	11.0
		January	Index value of new orders in manufacturing (YoY%)	21.5	13.6
15-Mar	Thursday	January	Turnover of market serv. provided to the population (YoY%)	9.7	20.3
		February	New passenger car registrations (YoY%)	5.7	66.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		13-Mar-18						
Investment funds	ccy	last NAV/U		1m%		Ytd%		52W%
OTP AvantisRO	RON	11.6709	↑	2.18	↑	5.34	↑	18.64
OTP Obligatiuni	RON	15.0290	↑	0.22	↑	0.53	↑	2.09
OTP ComodisRO	RON	17.4073	↑	0.21	↑	0.51	↑	1.54
OTP Euro Bond	EUR	12.8069	↓	-0.05	↓	-0.22	↑	1.05
OTP Dollar Bond	USD	11.0270	↓	0.00	↑	0.04	↑	1.22
OTP Premium Return	RON	11.8881	↑	0.66	↑	0.35	↑	4.29
OTP Euro Premium Return	EUR	9.7366	↓	-0.09	↓	-2.76	↓	-1.43
OTP Global Mix	RON	11.8163	↑	1.59	↑	1.23	↑	6.61

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