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# Daily Report – Romania

Date: 27.03.2018

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,740.63	↑ 0.20	↑ 0.10
BET-TR	11,754.00	↑ 0.20	↑ 0.10
BET-FI	40,982.46	↓ -0.10	↓ -1.71
BET-XT	816.57	↑ 0.22	↑ 0.02
FP	0.93	↓ -0.21	↓ -0.43
BRD	15.10	↑ 0.13	↓ -0.66
TLV	2.63	↓ -1.14	↓ -1.51
SNG	38.20	↑ 0.79	↑ 3.95
SNP	0.32	↑ 0.48	↑ 1.13

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.90	↑ 0.5	↓ -2.5
12 month	2.24	→ 0.0	↑ 2.0
3 year	3.18	↑ 0.5	↑ 0.5
5 year	3.96	↑ 1.0	→ 0.0
10 year	4.47	→ 0.0	↑ 2.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	2.6Y	RON 500 mn	RON 568.6 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.48	→ 0.0	↑ 16.0
3M ROBOR	2.06	↑ 1.0	↑ 3.0
6M ROBOR	2.39	↑ 1.0	↑ 2.0
1Y ROBOR	2.52	→ 0.0	↑ 1.0
5Y CDS	80.26	↑ 0.1	↑ 1.2

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6535	↑ 0.03	↓ -0.26
USD/RON	3.7519	↑ 0.33	↓ -1.56
CHF/RON	3.9622	↑ 0.04	↓ -0.56
100HUF/RON	0.0149	↑ 0.05	↓ -0.71

Sources: Reuters, OTP Research

**Summary**

- In March, Romania's economic sentiment indicator continued to soften.
- Romania's government budget balance sharply deteriorated in February.
- The EUR/RON bounced back from 4.65.
- On Tuesday, ROBOR rates and government securities' yields were little changed.
- The BET gained 0.2%.

In March, Romania's economic sentiment indicator (ESI) continued its downward trajectory, reaching 101.4 points, versus 102.2 a month earlier. We recall that the ESI hit its post-crisis high at 105.5 in the middle of last year. March's fall of the ESI was due to the weakening moral among managers in the services, industry and retail trade sectors. On the other hand, confidence slightly improved in the construction sector, while consumers also became more optimistic than a month earlier. In the case of the consumer confidence indicator, the increase in March was the first one after six consecutive months of drop. In Q1 2018, the ESI index stood at 102.3 points on average, down from 103.9 in Q4 2017, suggesting that Romania's GDP growth might have continued to decelerate at the beginning of this year. In Q4 the country's GDP grew by 6.9% YoY, after Q3's stellar 8.8% YoY advance.

In the first two months of 2018, Romania's government budget registered RON 5.5 bn deficit (0.6% of GDP), in sharp contrast with the RON 0.4 bn surplus in the same period of the previous year. Higher personal expenses, social transfers, but also increasing public investments were the main reasons for rising deficit.

The EUR/RON bounced back from 4.65, ending the day slightly above this level. The euro weakened against the dollar as concerns about the momentum of the eurozone's economy increased. The other CEE currencies closed mixed.

Tuesday was a calm day for ROBOR rates and government securities yields, showing little or no variance.

The BET gained 0.2%. Increasing oil prices had a beneficial impact on the SNP, which jumped 2.1%. Meanwhile TLV lost 1.1%. European stock markets ended the day in green territory, following Asian and U.S. stocks' strong performance on Monday (Wall Street set its largest gains since August 2015). On the other hand, overseas Tuesday's trading day was characterised by selloff, mainly in the tech sector.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
26-Mar	Monday				
27-Mar	Tuesday	March	Economic Sentiment Indicator	101.4	102.2
		March	Consumer Confidence Indicator	-24.5	-26.5
28-Mar	Wednesday				
29-Mar	Thursday				
30-Mar	Friday	February	Licenses for residential buildings (YoY%)		28.7

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		26-Mar-18						
Investment funds	ccy	last NAV/U		1m%		Ytd%		52W%
OTP AvantisRO	RON	11.6001	↑	1.55	↑	4.70	↑	15.29
OTP Obligatiuni	RON	15.0331	↑	0.13	↑	0.56	↑	2.04
OTP ComodisRO	RON	17.4189	↑	0.15	↑	0.57	↑	1.57
OTP Euro Bond	EUR	12.8011	↓	-0.07	↓	-0.27	↑	1.01
OTP Dollar Bond	USD	11.0051	↓	-0.21	↓	-0.16	↑	0.92
OTP Premium Return	RON	11.8470	↑	0.20	↓	0.00	↑	3.66
OTP Euro Premium Return	EUR	9.6992	↓	-1.00	↓	-3.13	↓	-1.83
OTP Global Mix	RON	11.6625	↓	-0.79	↓	-0.09	↑	5.38

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