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Daily Report – Romania

Date: 11.04.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,828.34	↓ -0.15	↑ 0.67
BET-TR	11,866.93	↓ -0.16	↑ 0.64
BET-FI	40,751.40	↓ -0.50	↑ 0.02
BET-XT	820.97	↓ -0.15	↑ 0.50
EL	11.56	↓ -1.53	↓ -2.86
SNP	0.34	↑ 2.25	↑ 5.91
SNG	37.50	↓ -1.19	↓ -1.19
TLV	2.60	↓ -0.38	↓ -1.33
TEL	22.60	↓ -0.44	↓ -2.80

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.89	↑ 0.5	↓ -2.5
12 month	2.21	→ 0.0	↓ -2.0
3 year	3.04	↓ -4.0	↓ -15.0
5 year	3.87	↓ -2.0	↓ -8.0
10 year	4.38	↓ -0.5	↓ -6.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	6.0Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.40	↓ -2.0	↓ -14.0
3M ROBOR	2.09	→ 0.0	↑ 1.0
6M ROBOR	2.42	↑ 1.0	↑ 3.0
1Y ROBOR	2.52	→ 0.0	→ 0.0
5Y CDS	78.95	↑ 0.1	↑ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6617	↑ 0.11	↓ -0.06
USD/RON	3.7701	↑ 0.04	↓ -0.73
CHF/RON	3.9356	↓ -0.07	↓ -0.47
100HUF/RON	0.0150	↑ 0.14	↓ -0.02

Sources: Reuters, OTP Research

Summary

- In March, Romania's consumer price inflation continued to climb higher, hitting 5.0% YoY, the highest level since June 2013.
- In February, the growth rate of industrial production continued to slow down.
- Global trading sentiment was rather pessimistic on Wednesday.
- Romania's leu slightly weakened.
- ROBOR rates closed mixed.

In March, Romania's headline inflation accelerated to 5.0% YoY, up from 4.7% YoY a month earlier. In month-over-month comparison, the consumer price index rose by 0.3%. March's acceleration was mostly due to fuel prices (11.8% YoY vs. 10.6% YoY in February), while unprocessed food inflation and core inflation also picked up. Core3 inflation, the NBR's preferred underlying indicator, increased by 0.1 percentage point, to 3.0% YoY.

In the second month of the year, Romania's industrial output lost further steam, registering 5.8% YoY advance, after January's 8.2% YoY increase. On month-over-month basis, the industrial production index added 0.1% (seasonally and working day adjusted data).

On Wednesday, the Romanian leu slightly weakened against the euro, while other currencies in the CEE region closed mixed.

Interbank money market rates moved in opposing directions. At the same time, yields on 3Y-10Y government securities decreased slightly.

After hitting a new post-crisis maximum, the BET was in correction phase yesterday. The Romanian index closed 0.15% lower. The most liquid share was EL, which represented about 50% of the total turnover, and suffered the biggest fall (-1.5%). On the other hand SNP, Romania's largest oil company, increased 2.3% as oil prices surged due to geopolitical concerns. News about potential U.S. strikes against Syria overshadowed international stock markets.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
10-Apr	Tuesday	February	Exports (FOB, YoY%)	7.6	15.9	
		February	Imports (CIF, YoY%)	10.7	17.3	
11-Apr	Wednesday	February	Net wage growth rate (YoY%)	11.2	8.0	
12-Apr	Thursday	March	Consumer price index (YoY%)	5.0	4.9	4.7
		February	Industrial production (YoY%)	5.8	8.2	
		February	Industrial trade turnover index (YoY%)	11.9	21.0	
		February	Index value of new orders in manufacturing (YoY%)	16.0	22.6	
13-Apr	Friday	February	CA balance (EUR mn, YTD)		216	
		February	Turnover of market serv. provided to the population (YoY%)		9.7	
		February	Construction works (YoY%)		7.8	

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		10-Apr-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	11.5574	↓ -0.51	↑ 4.31	↑ 13.98		
OTP Obligatiuni	RON	15.0547	↑ 0.23	↑ 0.71	↑ 2.01		
OTP ComodisRO	RON	17.4326	↑ 0.17	↑ 0.65	↑ 1.59		
OTP Euro Bond	EUR	12.8106	↑ 0.06	↓ -0.19	↑ 0.95		
OTP Dollar Bond	USD	11.0169	↓ -0.11	↓ -0.05	↑ 0.93		
OTP Premium Return	RON	11.8424	↓ -0.26	↓ -0.04	↑ 3.35		
OTP Euro Premium Return	EUR	9.7489	↑ 0.12	↓ -2.63	↓ -2.30		
OTP Global Mix	RON	11.7150	↓ -0.78	↑ 0.36	↑ 5.47		

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