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Daily Report – Romania

Date: 16.04.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,903.60	↑ 0.37	↑ 0.48
BET-TR	11,967.80	↑ 0.36	↑ 0.46
BET-FI	40,410.30	↓ -0.28	↓ -1.29
BET-XT	824.92	↑ 0.27	↑ 0.13
BRD	15.56	↑ 0.39	↑ 1.70
SNP	0.34	↑ 1.34	↑ 2.56
SNG	37.30	↓ -0.53	↓ -1.84
FP	0.97	→ 0.00	↑ 1.46
TGN	409.00	↑ 1.61	↑ 1.36

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.18	↑ 29.0	↑ 28.0
12 month	2.45	↑ 23.0	↑ 23.0
3 year	3.14	↑ 10.5	↑ 1.0
5 year	3.97	↑ 7.5	↑ 6.0
10 year	4.50	↑ 8.5	↑ 9.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	10.0Y	RON 200 mn	RON 0 mn
Monday	12M	RON 600 mn	RON 0 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.91	↑ 51.0	↑ 44.0
3M ROBOR	2.13	↑ 6.0	↑ 3.0
6M ROBOR	2.46	↑ 5.0	↑ 5.0
1Y ROBOR	2.57	↑ 4.0	↑ 5.0
5Y CDS	79.07	↑ 0.0	↑ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6421	↓ -0.40	↓ -0.47
USD/RON	3.7499	↓ -0.78	↓ -0.92
CHF/RON	3.9059	↓ -0.55	↓ -1.33
100HUF/RON	0.0150	↓ -0.26	↓ -0.08

Sources: Reuters, OTP Research

Summary

- On Monday, the NBR has raised deposits of RON 18.7 bn in a one-week tender, the first such operation since 2011.
- ROBOR rates and government security yields climbed higher.
- The MoF rejected all bids in yesterday's debt auctions.

Yesterday the NBR organised a deposit tender, the first such operation since the beginning of 2011, in order to absorb the excess liquidity and bring money market rates closer to the policy rate (2.25%). Accordingly, interbank lending rates rose sharply, with the overnight ROBOR surging the most, from 1.40% to 1.91%. Meanwhile, the 1M benchmark rose from 1.60% to 1.98% and the ROBOR 3M, the key reference rate to credits with variable interest rate climbed six basis points, to 2.13%. Further up the curve, lending rates posted increases in the range of 4 bps to 6 bps. We [recall](#) that in its latest, April monetary policy meeting, Romania's central bank unexpectedly remained on hold, keeping the key rate at 2.25%. One of the reasons for keeping the policy rate unchanged was that the impact of earlier tightening measures was not fully transmitted, Mr Isarescu said in the post-meeting press conference, referring to interbank lending rates. The minutes of the Board meeting, revealed yesterday, noted that the economic developments and assessments 'called for further adjustment of the monetary policy stance, potentially by resorting to other levers in addition to the monetary policy rate'. Most likely, yesterday's deposit tender could be one of the 'other levers' noted in the meeting minutes.

Supported by the higher interest rates, the Romanian leu strengthened the most against the euro (0.4%) in the CEE region, helping the cross to ease near 4.64. Poland's zloty also firmed almost 0.4%, while the Czech koruna and the Hungarian forint gained around 0.2%. At the same time, the EUR/USD moved higher even though economists became more pessimistic on European growth prospects in the latest period.

Government securities' yields on the benchmark maturities rose 8-29 bps, with the largest movement at the short-end. Amid the increasing financing costs, the Ministry of Finance rejected all bids in Monday's auctions.

The BET firmed 0.4% despite the decreasing main European indices. The energy sector's stocks were the best performers: the TGN, the SNP and the TEL rose more than 1%. In Europe, investors' appetite was held back by the events related to Syria, the possible further US actions against Russia, and the rising euro also led to weaker performance. Meanwhile, on the other side of the Atlantic Ocean, investors focused on corporate quarterly earnings reports. The Bank of America's better than expected result and retail trade data boosted the indices on the Wall Street.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
16-Apr	Monday	February	Turnover of market serv. rendered mainly to enterp. (YoY%)	5.0	15.5
		February	Wholesale turnover index (YoY%)	5.7	13.5
17-Apr	Tuesday		no data		
18-Apr	Wednesday	March	New passenger car registrations (YoY%)		5.7
19-Apr	Thursday		no data		
20-Apr	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		13-Apr-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.5377	↓	-1.14	↑	4.14	↑ 13.82
OTP Obligatiuni	RON	15.0601	↑	0.21	↑	0.74	↑ 2.03
OTP ComodisRO	RON	17.4349	↑	0.16	↑	0.67	↑ 1.59
OTP Euro Bond	EUR	12.8140	↑	0.06	↓	-0.17	↑ 0.98
OTP Dollar Bond	USD	11.0196	↓	-0.07	↓	-0.03	↑ 0.97
OTP Premium Return	RON	11.8572	↓	-0.26	↑	0.08	↑ 3.36
OTP Euro Premium Return	EUR	9.7717	↑	0.36	↓	-2.40	↓ -2.21
OTP Global Mix	RON	11.7343	↓	-0.69	↑	0.53	↑ 5.73

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