

Headquarter Treasury Sales

Ionut Constandache

0372 31 85 86

ionut.constandache@otpbank.ro

Ana Butuc

0372 31 85 87

anca.butuc@otpbank.ro

Anamaria Toma

0372 31 85 85

anamaria.toma@otpbank.ro

Cristian Bodirca

0372 31 85 88

cristian.bodirca@otpbank.ro

Regional Treasury Sales

Szilamer Kozma - Cluj

0755 000 400

szilamer.kozma@otpbank.ro

Alexandru Sabin - Arad

0730 577 959

alexandru.sabin@otpbank.ro

Andrei Sala - Brasov

0755 000 015

andrei.sala@otpbank.ro



Daily Report – Romania

Date: 10.05.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,811.22	↑ 0.70	↑ 1.22
BET-TR	11,986.85	↑ 0.68	↑ 2.46
BET-FI	39,182.67	↑ 0.36	↑ 1.66
BET-XT	813.26	↑ 0.58	↑ 1.21
SNP	0.37	↑ 1.81	↑ 4.29
BRD	14.30	↓ -0.69	↓ -5.92
TLV	2.63	↑ 1.35	↑ 4.78
EL	10.70	↓ -0.56	↑ 0.94
SIF3	0.22	↑ 1.40	↑ 1.17

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.51	↑ 1.5	↑ 22.0
12 month	2.71	↑ 1.0	↑ 19.0
3 year	3.61	↓ -1.5	↑ 19.5
5 year	4.34	↑ 1.0	↑ 21.0
10 year	4.75	↓ -1.5	↑ 17.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.9Y	RON 600 mn	RON 0 mn
Thursday	12M	RON 500 mn	RON 185.2 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.73	↑ 1.0	↑ 25.0
3M ROBOR	2.75	↑ 2.0	↑ 26.0
6M ROBOR	2.88	↑ 1.0	↑ 30.0
1Y ROBOR	2.97	↑ 1.0	↑ 29.0
5Y CDS	80.12	↑ 0.1	↑ 0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6382	↓ -0.16	↓ -0.60
USD/RON	3.8924	↓ -0.74	↓ -0.02
CHF/RON	3.8833	↓ -0.45	↓ -0.53
100HUF/RON	0.0148	↑ 0.14	↓ -0.75

Sources: Reuters, OTP Research

Summary

- In QoQ terms, industrial output fell by 0.6% in Q1 2018, the NIS said this morning.
- Yesterday, the Romanian leu strengthened by 0.2.% against the euro, ending the day near 4.64.
- The 3M ROBOR reached 2.75%.
- The BET firmed 0.7%.

In March, Romania's industrial production index expanded slightly, pointing to 0.5% MoM advance (seasonally and working day adjusted data). On the back of the rather disappointing performance in the beginning of this year, the annual growth rate of the index slowed to 1.2% in March (gross data), down from February's 6.0% and January's 8.2% gains. In quarter-over-quarter comparison, industrial output fell 0.6% in Q1 (SWDA), the fresh statistics of the NIS revealed.

The Romanian leu strengthened further by 0.2% compared to the euro, in line with the other CEE currencies. The improving global risk appetite helped the power of the regional currencies. The EUR/USD inched higher as well. At the same time, the GBP lost ground as the Bank of England held the interest rates unchanged and lowered the economic growth and inflation forecasts.

On the money market, except the 1W maturity, interest rates shifted 1-2 basis points higher. The 3M ROBOR hit a new 3.5-year-high, at 2.75%.

On the back of the increasing financing costs, the Ministry of Finance sold less than planned (RON 185.2 mn vs. RON 500) in 1Y bills. The average accepted yield was at 2.89%. Commercial banks subscribed for RON 810.9 mn.

Yesterday the BET firmed 0.7%. The increase was broad based, as all of the sub-indices ended the day in green. The SNP continued its outstanding performance as Brent crude oil price exceeded 78 USD/barrel, which is a new 3-year maximum.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
7-May	Monday	May	Base rate decision (%)	2.50	2.50	2.25
8-May	Tuesday		no data			
9-May	Wednesday	March	Net wage growth rate (YoY%)	15.5		11.2
10-May	Thursday	March	Exports (FOB, YoY%)	6.6		7.6
		March	Imports (CIF, YoY%)	5.8		10.8
11-May	Friday	March	Industrial production (YoY%)	1.2		6.0
		March	Industrial trade turnover index (YoY%)	9.3		12.0
		March	Index value of new orders in manufacturing (YoY%)	10.0		16.2

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		9-May-18					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	11.3055	↓ -2.66	↑	2.04	↑	9.15
OTP Obligatiuni	RON	15.0411	↓ -0.04	↑	0.61	↑	1.80
OTP ComodisRO	RON	17.4407	↑ 0.07	↑	0.70	↑	1.55
OTP Euro Bond	EUR	12.7891	↓ -0.14	↓	-0.36	↑	0.72
OTP Dollar Bond	USD	11.0236	↑ 0.10	↑	0.01	↑	0.92
OTP Premium Return	RON	11.8269	↑ 0.11	↓	-0.17	↑	2.26
OTP Euro Premium Return	EUR	9.7264	↓ -0.18	↓	-2.86	↓	-1.11
OTP Global Mix	RON	11.7677	↑ 0.75	↑	0.81	↑	4.39

Chief Economist**Gergely Tardos**

+36 1 3747273

tardosg@otpbank.hu**Analyst****Csaba Bálint**

+4021 3075896

csaba.balint@otpbank.ro

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