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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,626.14	↓ -0.18	↓ -0.51
BET-TR	12,559.55	↓ -0.17	↓ -0.49
BET-FI	36,766.96	↑ 0.42	↓ -1.14
BET-XT	784.43	↓ -0.12	↓ -0.49
SNP	0.39	↓ -1.01	↓ -0.51
EL	10.90	↓ -0.55	↑ 1.68
FP	0.95	↑ 0.42	↓ -2.06
DIGI	30.10	↑ 0.33	↑ 1.69
TLV	2.37	→ 0.00	↓ -0.21

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.24	→ 0.0	↑ 1.5
12 month	3.36	↑ 0.5	↑ 0.5
3 year	4.20	↑ 0.5	↑ 2.0
5 year	4.74	↓ -0.5	↓ -0.5
10 year	4.96	↓ -0.5	↓ -4.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.5Y	RON 500 mn	RON 690 mn
Thursday	3.4Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3.52	↑ 186	↑ 121
3M ROBOR	3.35	↑ 3	↑ 18
6M ROBOR	3.56	↑ 4	↑ 14
1Y ROBOR	3.65	↑ 2	↑ 10
5Y CDS	88.37	↓ 0	↓ 0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6592	↓ -0.12	↓ -0.15
USD/RON	4.0909	↑ 0.60	↑ 0.83
CHF/RON	4.0994	↑ 0.24	↑ 0.57
HUF/RON	0.0144	↓ -0.24	↓ -0.52

Sources: Reuters, OTP Research

Summary

- Romania's leu fared relatively well in yesterday's unsupportive global trading mood.
- ROBOR rates continued to increase.
- Today the Ministry of Finance puts up for sale RON 500 bn debt.

Amid yesterday's gloomy trading mood, the EUR/USD cross dipped lower (by 0.7%, a touch below 1.14) and the CEE region's currencies also weakened compared to the euro. Nevertheless, Romania's leu outperformed its peers in the CEE region, firming 0.1% against the common European currency. The rise of domestic interest rates could have played a role in the leu's appreciation.

On Wednesday, interbank lending rates increased significantly owing to less favourable liquidity conditions. The ROBOR ON started the new reserve period at 3.52% (+186 bps), while the ROBOR 3M also continued to climb higher. It may be worth mentioning that liquidity conditions frequently become less favourable at the end of month on the back of private sector tax payments into the government budget. In addition, government securities' net issuance (the difference between redemptions and new debt issuances) reached RON 4.2 bn in September and RON 4.7 bn in October, exceeding this year's average of around RON 1.7 bn by a wide margin. The market is waiting to see whether the NBR will provide additional liquidity via repo operation at the beginning of next week.

Today the Ministry of Finance plans to sell RON 500 mn debt in a 3.4Y bond auction.

Yesterday the leading European and US equity indices closed in negative territory; most Romanian stocks also fell. The BET gave up 0.2%, primarily dragged down by Sphera (-2.2%), Purcari Wineries (1.4%) and OMW Petrom (-1.0%).

Today the ECB's monetary policy meeting will be in the spotlight.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
22-Oct	Monday		no data		
23-Oct	Tuesday	September	Non-government loans (YoY%)	6.3	6.6
		September	Non-government deposits (YoY%)	10.1	10.5
	Q2 2018	General government budget balance (% of GDP, SA annualised)	-2.2		-3.7
		General government debt (% of GDP)	34.1		34.5
24-Oct	Wednesday		no data		
25-Oct	Thursday	September	New commercial vehicle registrations (YoY%)	-17.0	55.8
26-Oct	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		23-Oct-18						
Investment funds	ccy	last NAV/U		1m%		Ytd%		52W%
OTP AvantisRO	RON	11.0952	↑	1.10	↑	0.14	↑	1.77
OTP Obligatiuni	RON	15.1858	↑	0.25	↑	1.58	↑	1.99
OTP ComodisRO	RON	17.6785	↑	0.44	↑	2.07	↑	2.35
OTP Euro Bond	EUR	12.7496	↓	-0.06	↓	-0.67	↓	-0.49
OTP Dollar Bond	USD	11.0842	↑	0.03	↑	0.56	↑	0.64
OTP Premium Return	RON	11.5172	↓	-2.17	↓	-2.79	↓	-1.64
OTP Euro Premium Return	EUR	8.9231	↓	-6.30	↓	-10.88	↓	-10.31
OTP Global Mix	RON	11.0958	↓	-3.78	↓	-4.94	↓	-3.94

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