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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,573.66	↑ 0.27	↑ 0.02
BET-TR	12,488.41	↑ 0.24	↑ 0.06
BET-FI	36,784.20	↓ -0.42	↑ 1.17
BET-XT	781.78	↑ 0.16	↓ -0.16
TGN	351.0000	↓ -0.99	↓ -1.68
SNG	34.8000	↓ -0.71	↓ -0.57
FP	0.9450	→ 0.00	↑ 4.88
EL	10.8200	↑ 0.74	↑ 0.19
TLV	2.3650	↑ 0.21	↓ -0.21

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.16	→ 0.0	↓ -1.5
12 month	3.29	↓ -1.5	↓ -4.0
3 year	3.95	↑ 6.5	→ 0.0
5 year	4.53	↑ 9.0	↑ 10.0
10 year	4.80	↑ 7.0	↑ 11.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	7.4Y	RON 400 mn	RON 400 mn
Thursday	4.6Y	RON 600 mn	RON 644 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.54	↓ -1	↓ -10
3M ROBOR	3.21	↑ 2	→ 0
6M ROBOR	3.44	→ 0	↓ -3
1Y ROBOR	3.59	↑ 1	→ 0
5Y CDS	89.54	↑ 1	↑ 1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6630	↑ 0.07	↑ 0.14
USD/RON	4.1160	↓ -0.08	↑ 0.44
CHF/RON	4.0874	↓ -0.19	↑ 0.33
HUF/RON	0.0145	↑ 0.21	↓ -0.18

Sources: Reuters, OTP Research

Summary

- The British pound plunged on Brexit concerns; Romania's leu depreciated 0.1% against the euro.
- The Ministry of Finance sold more than planned in yesterday's bond auction.

Yesterday's trading session started relatively well on Asian markets. However, in Europe sentiment was dragged down by uncertainties around the UK's leave of the EU, after Brexit Secretary, along with a few other ministers resigned from Theresa May's cabinet. The news weighed primarily on the financial sector's stocks and hit the British pound. Trading in the USA had started on a weak note, but reports that the USA and China may make efforts to resolve trade conflict resulted in cautious optimism, helping US equity market to end in positive territory. The EUR/USD inched slightly higher, while Romania's leu weakened 0.1% compared to the common European currency.

Thursday's government bond auction benefited from healthy demand, with investors submitting bids worth RON 1,350.7 mn. Amid the strong demand, the Ministry of Finance sold slightly more than planned in 4.6Y papers (RON 644 mn vs. RON 600 mn). The average accepted yield was at 4.52%, down from 4.75% in a similar auction a month earlier.

Yesterday government securities yields' on the 3Y-10Y benchmark maturities increased by up to nine basis points, NBR's data showed.

The ROBOR 3M, the main benchmark for loans with variable interest rate rose two basis points, to 3.21%. We recall that in the second half of October, interbank lending rates inched up on unfavourable liquidity conditions caused mainly by tax payments. However, the NBR's weekly repo operations helped to ease the negative impacts of the transitory liquidity squeeze. It also important to add that government securities worth RON 8 bn will reach maturity at the end of November, with a positive impact on interbank liquidity. Year-end payments of the government could help in December.

On Thursday, the BET rose 0.3%, with the shares of OMW Petrom providing support for the index. Romania's largest oil company likely benefited from the upside correction of crude prices.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
13-Nov	Tuesday	September	CA balance (EUR mn, YTD)	-6,619	-5,999
		September	Turnover of market serv. provided to the population (YoY%)	7.8	5.1
14-Nov	Wednesday	Q3 2018	Flash GDP growth rate (YoY%)	4.3	3.3
		September	Construction works (YoY%)	-2.1	-8.9
		September	Turnover of market serv. rendered mainly to enterp. (YoY%)	9.0	10.3
		September	Wholesale turnover index (YoY%)	6.3	6.7
15-Nov	Thursday	October	New passenger car registrations (YoY%)	-32.9	-73.4
16-Nov	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		14-Nov-18						
Investment funds	ccy	last NAV/U		1m%		Ytd%		52W%
OTP AvantisRO	RON	11.1450	↑	1.67	↑	0.59	↑	0.90
OTP Obligatiuni	RON	15.2107	↑	0.28	↑	1.75	↑	2.14
OTP ComodisRO	RON	17.7101	↑	0.46	↑	2.26	↑	2.45
OTP Euro Bond	EUR	12.7429	↓	-0.10	↓	-0.72	↓	-0.53
OTP Dollar Bond	USD	11.0879	↑	0.03	↑	0.59	↑	0.68
OTP Premium Return	RON	11.4607	↓	-1.14	↓	-3.26	↓	-2.35
OTP Euro Premium Return	EUR	8.8002	↓	-3.25	↓	-12.11	↓	-11.12
OTP Global Mix	RON	11.0229	↓	-1.91	↓	-5.57	↓	-4.87

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