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# Daily Report – Romania

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**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,786.58	↑ 0.40	↑ 3.18
BET-TR	12,806.87	↑ 0.39	↑ 3.18
BET-FI	36,945.01	↑ 0.40	↑ 2.38
BET-XT	799.20	↑ 0.33	↑ 3.01
SNG	36.3000	↑ 0.14	↑ 2.69
TLV	2.4550	↑ 0.61	↑ 4.91
EL	11.5000	↑ 1.23	↑ 3.42
BRD	14.2600	→ 0.00	↑ 5.01
FP	0.9520	↑ 0.85	↑ 1.93

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.01	↓ -0.5	↓ -14.0
12 month	3.21	↓ -1.0	↓ -8.5
3 year	3.65	↓ -4.5	↓ -14.5
5 year	4.30	↓ -2.5	↓ -13.5
10 year	4.92	↓ -2.5	↑ 11.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	7.3Y	RON 400 mn	RON 494 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.27	↓ -3	↓ -43
3M ROBOR	3.09	↓ -2	↓ -11
6M ROBOR	3.36	→ 0	↓ -6
1Y ROBOR	3.54	→ 0	↓ -4
5Y CDS	94.15	↓ 0	→ 0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6517	↑ 0.08	↓ -0.13
USD/RON	4.1010	↑ 0.20	↓ -0.53
CHF/RON	4.1109	↑ 0.23	↓ -0.55
HUF/RON	0.0144	↓ -0.22	↑ 0.01

Sources: Reuters, OTP Research

**Summary**

- Retail sales picked up in October (6.6% YoY vs. 2.7% YoY in September).
- Tourists' overnight stays grew by 10.6% YoY in October.
- The 2019 budget may be approved next week, the finance minister said.

Retail sales started Q4 well, posting 6.6% YoY growth (gross data) in October, up from September's 2.7% annual gain (September's data was also revised slightly upward). In month-on-month comparison, retail sales increased by 1.3% (seasonally and working day adjusted data), the National Institute of Statistics said this morning as well. The details are encouraging, as non-food items led the growth (+1.6% MoM), but food (+0.5% MoM) and fuel sales (+0.5% MoM) grew nicely too. We recall that retail sales, a good proxy for household consumption, disappointed in Q3, but providing signs of a revival in September. Today's statistics confirm that retail trade kept up its September's momentum, which bodes well for consumption's outlook in Q4. We think that the tight labour market, planned minimum and public wage hikes, coupled with easing inflation may support retail sales in the following few quarters. Nevertheless, it is important to note that the spectacular increases, which were seen in 2016-2017, are probably over, as further significant tax cuts are unlikely.

In October, tourists' overnight stays continued to post double-digit annual growth rates (10.6% YoY) a NIS report revealed this morning. On month-over-month basis, overnight stays lost a bit of steam in October, pointing to 0.5% advance (based on our in-house seasonally adjusted data), but this came after a very strong performance in the previous few months (in Q3, overnight stays increased by 3.7% QoQ).

Next week, the 2019 budget may be approved by the cabinet and sent to the Parliament as well, Finance Minister Mr Teodorovici said. It is worth mentioning that the government plans to raise further public wages and pensions, which are set to put more pressure on the already stretched budget deficit.

In yesterday's negative global trading mood, Romania's leu depreciated 0.1% compared to the euro, broadly in line with its CEE region's peers. At the same time, interbank lending rates and the benchmark yields on government securities mostly eased. Despite the unsupportive sentiment on developed stock markets, Bucharest's BET managed to rise by 0.4% on Tuesday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
3-Dec	Monday	November	FX Reserves (EUR bn)	32.5	32.4
4-Dec	Tuesday	October	Producer Price Index (YoY%)	6.3	5.6
5-Dec	Wednesday	October	Retail trade (YoY%)	6.6	2.7
		October	Tourists' overnight stays (YoY%)	10.6	10.8
6-Dec	Thursday		no data		
7-Dec	Friday	Q3 2018	Detailed GDP growth rate (YoY%, provisional data 1)		4.3

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		3-Dec-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	11.3035	↑ 2.36	↑ 2.02	↑ 2.95		
OTP Obligatiuni	RON	15.1935	↓ -0.01	↑ 1.63	↑ 1.96		
OTP ComodisRO	RON	17.7409	↑ 0.28	↑ 2.43	↑ 2.59		
OTP Euro Bond	EUR	12.6791	↓ -0.50	↓ -1.22	↓ -1.12		
OTP Dollar Bond	USD	11.0692	↓ -0.13	↑ 0.42	↑ 0.45		
OTP Premium Return	RON	11.4629	↓ -0.20	↓ -3.24	↓ -2.91		
OTP Euro Premium Return	EUR	8.7292	↓ -2.34	↓ -12.82	↓ -12.40		
OTP Global Mix	RON	11.0806	↓ -0.18	↓ -5.07	↓ -4.67		

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