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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,159.24	↓ -0.59	↑ 3.24
BET-TR	10,556.26	↓ -0.57	↑ 3.27
BET-FI	33,762.30	↓ -1.56	↓ -0.02
BET-XT	663.19	↓ -0.80	↑ 3.27
TLV	1.7980	↑ 0.90	↑ 4.66
BRD	10.7800	↓ -0.19	↑ 4.26
FP	0.8250	↓ -0.72	↓ -4.40
SNP	0.3100	↓ -1.59	↑ 9.93
SNN	7.7000	↓ -1.28	↑ 1.32

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.11	↑ 3.5	↑ 8.0
12 month	3.39	↑ 1.0	↑ 8.5
3 year	4.09	↓ -0.5	↑ 12.0
5 year	4.55	↑ 1.0	↑ 18.5
10 year	5.03	↑ 0.5	↑ 28.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.4Y	RON 400 mn	RON 110 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.77	↑ 3	↓ -83
3M ROBOR	2.97	↑ 4	↑ 5
6M ROBOR	3.28	↑ 6	↑ 5
1Y ROBOR	3.49	↑ 4	↑ 5
5Y CDS	93.68	↓ 0	↓ -1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.7112	↑ 0.15	↑ 0.67
USD/RON	4.1441	↑ 0.10	↑ 1.55
CHF/RON	4.1548	↓ -0.08	↓ -0.17
HUF/RON	0.0148	↑ 0.29	↑ 1.98

Sources: Reuters, OTP Research

Summary

- The IMF revised its 2019 global growth forecast 0.2 pps down, to 3.5%.
- On Monday, the EUR/RON continued to march higher, reaching 4.71.
- Poor demand characterised yesterday's 5Y bond auction.
- The BET closed in red.

The IMF published an update on its World Economic Outlook report, noting that global economic growth may have stood at 3.7% in 2018, down from 2017's 3.8%. The experts of the IMF estimate 3.5% increase for 2019, the report also showed. The estimated 3.5% growth level for 2019 is still a decent one, but it also signals that global economic expansion is weakening. A few months earlier, the IMF had expected 3.7% increase for 2019. Risks to global growth are tilted to the downside, the report said.

Yesterday, the EUR/RON continued to march higher, marking another new historical high. Since the beginning of this year, Romania's leu has been weakening, underperforming most of its peers in the CEE region, likely as the government's unorthodox fiscal measures triggered concerns among investors, while the latest current account statistics also pointed to a relatively high and rapidly increasing deficit.

Subdued demand characterised yesterday's 5.4Y government bond auction, with dealers bidding for RON 241 mn. Amid the weak demand, debt managers borrowed only RON 110 mn, well below the planned amount of RON 400 mn. The average accepted yield was at 4.73%. We recall that in December Romania's government approved a new special tax on banks' assets as well as key changes to the private pension system, with negative spillover effects on demand for government securities. It is worth mentioning that private pension funds and commercial banks are among the main lenders to the public sector.

On Monday, interbank lending rates rose a few basis points, after the NBR rolled over its one-week deposit tender.

In Bucharest, equity indices closed Monday's trading session in the red, but on low volumes. Among the BET's components, Transgaz (-3.3%) and the shares of the BVB (-3.1%) registered the largest losses.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
21-Jan	Monday		no data		
22-Jan	Tuesday		no data		
23-Jan	Wednesday		no data		
24-Jan	Thursday	December	New commercial vehicle registrations (YoY%)		20.5
25-Jan	Friday	December	Non-government loans (YoY%)		6.3
		December	Non-government deposits (YoY%)		10.9

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		18-Jan-19					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.3411	↓ -5.34	↑ 1.19	↓ -11.79		
OTP Obligatiuni	RON	15.2569	↑ 0.33	↑ 0.25	↑ 1.86		
OTP ComodisRO	RON	17.8079	↑ 0.25	↑ 0.15	↑ 2.71		
OTP Euro Bond	EUR	12.7076	↑ 0.14	↑ 0.15	↓ -0.98		
OTP Dollar Bond	USD	11.0828	↑ 0.24	↑ 0.22	↑ 0.51		
OTP Premium Return	RON	11.3118	↑ 0.01	↑ 1.18	↓ -5.18		
OTP Euro Premium Return	EUR	8.4278	↓ -1.76	↓ -0.87	↓ -16.48		
OTP Global Mix	RON	10.8222	↑ 0.58	↑ 1.27	↓ -8.71		

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