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# Daily Report – Romania

Date: 08.02.2019

**STOCK EXCHANGE**

|        | Close     | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET    | 7,556.53  | ↑ 0.30         | ↑ 7.48          |
| BET-TR | 11,146.34 | ↑ 0.29         | ↑ 7.54          |
| BET-FI | 34,615.91 | ↑ 0.42         | ↑ 4.45          |
| BET-XT | 697.75    | ↑ 0.22         | ↑ 6.88          |
| TLV    | 1.9200    | ↑ 1.59         | ↑ 18.52         |
| SNP    | 0.3385    | ↓ -0.73        | ↑ 2.58          |
| TEL    | 20.5000   | ↑ 0.99         | ↑ 5.13          |
| SNG    | 30.4500   | ↓ -0.16        | ↑ 7.98          |
| FP     | 0.8300    | ↑ 0.85         | ↑ 3.49          |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 3.10      | ↓ -4.5          | ↓ -3.5           |
| 12 month | 3.32      | ↓ -6.5          | ↓ -5.5           |
| 3 year   | 3.96      | ↓ -10.5         | ↓ -10.5          |
| 5 year   | 4.27      | ↓ -12.0         | ↓ -12.5          |
| 10 year  | 4.75      | ↓ -7.0          | ↓ -3.0           |

**GOV'T BOND AUCTIONS**

|          | Maturity | Auctions   | Sold |
|----------|----------|------------|------|
| Monday   | 7.2Y     | RON 300 mn |      |
| Thursday | 11M      | RON 400 mn |      |
| Thursday | 5.3Y     | RON 200 mn |      |

**MONEY MARKET**

|          | Rate (%/bp) | Daily chg (bp) | Weekly chg (bp) |
|----------|-------------|----------------|-----------------|
| ON ROBOR | 3.55        | ↓ -1           | ↑ 7             |
| 3M ROBOR | 3.10        | → 0            | ↑ 4             |
| 6M ROBOR | 3.30        | → 0            | ↑ 1             |
| 1Y ROBOR | 3.51        | → 0            | ↑ 3             |
| 5Y CDS   | 95.09       | ↑ 0            | ↑ 0             |

**FX MARKET**

|         | Rate   | Daily chg. (%) | Weekly chg. (%) |
|---------|--------|----------------|-----------------|
| EUR/RON | 4.7503 | ↑ 0.12         | ↓ -0.07         |
| USD/RON | 4.1938 | ↑ 0.24         | ↑ 1.07          |
| CHF/RON | 4.1919 | ↑ 0.42         | ↑ 0.55          |
| HUF/RON | 0.0149 | ↑ 0.05         | ↓ -0.59         |

Sources: Reuters, OTP Research

**Summary**

- In December, average net wages rose to RON 2,957, corresponding to 12.5% annual increase.
- In the last month of 2018, the growth rate of imports slowed but not as much as that of exports, therefore the trade gap widened further.
- Government securities' yields shifted lower.

In December, average net wages grew by 12.5% YoY, reaching RON 2,957, the NIS said in a report this morning. The 12.5% annual growth pace corresponds to a modest deceleration compared to November's 13.3% increase, as companies provided less cheering year-end bonuses. In the private sector, average net wages rose by 9.8% YoY to around RON 2,800, our estimation showed. A month earlier, private sector wages grew by 11.4% YoY. In the public sector, salaries went up 22.1% YoY in December, marginally exceeding RON 3,500. In November, public wages rose 20.1% YoY on average.

With regard to the outlook, we think that after 2018's very strong advances, the growth rate of net wages may be close to 10% this year, supported by the tight labour market (Romania's unemployment rate stood at an all-time low of 3.9%, the latest data showed) as well as further minimum and public wage hikes.

In the last month of 2018, the growth rate of imports (CIF) slowed further, to 3.5% YoY from 8.7% YoY in November, but remained above the growth pace of exports (FOB), a NIS report revealed this morning. The export of goods increased by 2.4% YoY in December, down from 2.7% YoY a month earlier, the NIS also said. The deceleration of exports' growth was the result of weakening momentum in the eurozone economy, Romania's key export partner.

As domestic-demand-fuelled imports grew faster than exports, Romania's (FOB-CIF) trade deficit continued to widen in December, and reached EUR 15.1 bn in 2018, EUR 2.2 bn wider than in 2017. The NBR will provide more detailed balance of payment statistics on Wednesday.

On Friday, Romania's leu depreciated marginally (0.1%), ending the week at 4.75. At the same time, government securities' yields shifted 5-12 bps lower, while the BET rose 0.3%.

| Date   | PERIOD    | INDICATOR | FACT   | CONSENSUS | PREVIOUS |
|--------|-----------|-----------|--|-----------|----------|
| 11-Feb | Monday    | December  | Net wage growth rate (YoY%)                                | 12.5      | 13.3     |
|        |           | December  | Exports (FOB, YoY%)  | 2.4       | 2.7      |
|        |           | December  | Imports (CIF, YoY%)  | 3.5       | 8.7      |
| 12-Feb | Tuesday   | December  | Industrial trade turnover index (YoY%)                     |           | 9.3      |
|        |           | December  | Index value of new orders in manufacturing (YoY%)          |           | 15.1     |
| 13-Feb | Wednesday | January   | Consumer price index (YoY%)                                |           | 3.3      |
|        |           | December  | Industrial production (YoY%)                               |           | 2.6      |
|        |           | December  | CA balance (EUR mn, YTD)                                   |           | -8,730   |
| 14-Feb | Thursday  | Q4 2018   | Flash GDP growth rate (YoY%)                               |           | 4.4      |
|        |           | December  | Turnover of market serv. provided to the population (YoY%) |           | 9.1      |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds |     | 7-Feb-19   |         |         |          |  |  |
|---------------------------|-----|------------|---------|---------|----------|--|--|
| Investment funds          | ccy | last NAV/U | 1m%     | Ytd%    | 52W%     |  |  |
| OTP AvantisRO             | RON | 10.5504    | ↑ 0.75  | ↑ 3.23  | ↓ -7.31  |  |  |
| OTP Obligatiuni           | RON | 15.3098    | ↑ 0.56  | ↑ 0.60  | ↑ 2.05   |  |  |
| OTP ComodisRO             | RON | 17.8306    | ↑ 0.21  | ↑ 0.27  | ↑ 2.71   |  |  |
| OTP Euro Bond             | EUR | 12.7389    | ↑ 0.42  | ↑ 0.40  | ↓ -0.67  |  |  |
| OTP Dollar Bond           | USD | 11.1192    | ↑ 0.52  | ↑ 0.55  | ↑ 0.74   |  |  |
| OTP Premium Return        | RON | 11.3819    | ↑ 1.52  | ↑ 1.80  | ↓ -3.73  |  |  |
| OTP Euro Premium Return   | EUR | 8.4427     | ↓ -0.27 | ↓ -0.70 | ↓ -14.15 |  |  |
| OTP Global Mix            | RON | 10.9120    | ↑ 1.83  | ↑ 2.11  | ↓ -6.66  |  |  |

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