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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,642.10	↓ -0.48	↑ 1.44
BET-TR	11,278.11	↓ -0.48	↑ 1.47
BET-FI	34,769.04	↓ 0.00	↑ 0.86
BET-XT	704.64	↓ -0.53	↑ 1.21
TLV	1.8500	↓ -1.60	↓ -2.12
FP	0.8500	↑ 1.43	↑ 3.28
TEL	22.1500	↑ 1.84	↑ 9.11
BRD	11.7000	↓ -2.82	↓ -1.52
SNG	31.5000	→ 0.00	↑ 3.28

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.10	↓ -2.0	↓ -4.5
12 month	3.30	↓ -2.0	↓ -8.0
3 year	3.85	↓ -0.5	↓ -21.5
5 year	4.22	→ 0.0	↓ -17.0
10 year	4.84	↓ -0.5	↑ 2.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	7.2Y	RON 300 mn	RON 334.1 mn
Thursday	11M	RON 400 mn	RON 0 mn
Thursday	5.3Y	RON 200 mn	RON 320 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3.68	↑ 5	↑ 12
3M ROBOR	3.17	↑ 2	↑ 7
6M ROBOR	3.34	→ 0	↑ 4
1Y ROBOR	3.52	↑ 1	↑ 1
5Y CDS	94.97	↑ 0	↓ 0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.7395	↓ -0.06	↓ -0.11
USD/RON	4.1945	↓ -0.37	↑ 0.25
CHF/RON	4.1753	↑ 0.05	↑ 0.02
HUF/RON	0.0149	↑ 0.12	↓ 0.00

Sources: Reuters, OTP Research

Summary

- In Q4 market services may have been the key driver of the economy.
- New passenger car sales fared well in January.
- The leu firmed, while the BET finished in red.

This morning the NIS published a series of economic data for December 2018. The latest statistics confirm our earlier expectations that the sector of market services was the key driver of the economy in Q4, pointing to a broad-based acceleration compared to Q3. We recall that Romania's economy grew by 4.1% YoY (gross data) and 0.7% QoQ (seasonally and working day adjusted) in the last quarter of 2018, the NIS' flash estimate showed yesterday. However, as we noted [yesterday](#) too, industry likely registered a smaller contribution to the GDP growth in Q4, while construction, probably, remained a drag on the economy. It is also worth noting that, compared to October-November, high-frequency indicators pointed to rapidly weakening momentum in December. The detailed, sector-level, GDP statistics for Q4 will see the light of day next month.

Passenger car sales performed well in the first month of 2019, an ACEA report revealed this morning. New passenger car registrations rose by 18.8% YoY, up from 12.3% YoY a month earlier, the report said. Our in-house seasonally adjusted data pointed to a sharp month-over-month increase (around 30%), signalling that the recovery continued at the beginning of this year. We recall that, similarly to other EU countries, new car sales in Romania recorded a sudden drop last September, owing to the introduction of the WLTP (Worldwide Harmonised Light Vehicle Test Procedure). However, since then, sales have been in recovery phase.

Nevertheless it is worrisome that, at the level of the EU, the recovery is modest, with new passenger car registrations recording 4.6% YoY fall in January, after December's 8.4% YoY slump. The good news for Romania is that Dacia sales fared well, pointing double-digit growth in January, despite the strong headwinds.

Similarly to its CEE region's peers, Romania's leu firmed (0.1%) compared to the euro yesterday. The strength of the leu was supported also by higher interest rates. The BET closed yesterday's trading session in negative territory.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
13-Feb	Wednesday	January	Consumer price index (YoY%)	3.3	3.2	3.3
		December	Industrial production (YoY%)	-0.8		2.5
		December	CA balance (EUR mn, YTD)	-9,416		-8,730
14-Feb	Thursday	Q4 2018	Flash GDP growth rate (YoY%)	4.1	3.9	4.4
		December	Turnover of market serv. provided to the population (YoY%)	5.6		8.8
15-Feb	Friday	December	Turnover of market serv. rendered mainly to enterp. (YoY%)	11.9		15.2
		December	Wholesale turnover index (YoY%)	8.1		7.2
		December	Construction works (YoY%)	-6.5		-1.4
		January	New passenger car registrations (YoY%)	18.8		12.3

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		13-Feb-19					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.6733	↑	3.76	↑	4.44	↓ -6.56
OTP Obligatiuni	RON	15.3197	↑	0.53	↑	0.66	↑ 2.16
OTP ComodisRO	RON	17.8378	↑	0.22	↑	0.31	↑ 2.68
OTP Euro Bond	EUR	12.7391	↑	0.34	↑	0.40	↓ -0.58
OTP Dollar Bond	USD	11.1250	↑	0.50	↑	0.60	↑ 0.89
OTP Premium Return	RON	11.4111	↑	1.55	↑	2.07	↓ -3.37
OTP Euro Premium Return	EUR	8.4203	↓	-0.05	↓	-0.96	↓ -13.60
OTP Global Mix	RON	10.9371	↑	1.89	↑	2.35	↓ -5.97

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