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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,044.12	↑ 1.13	↑ 1.21
BET-TR	11,862.22	↑ 1.13	↑ 1.21
BET-FI	35,453.55	↑ 0.52	↓ -0.70
BET-XT	734.08	↑ 1.00	↑ 0.84
BRD	12.9600	↑ 2.37	↑ 0.78
TLV	2.1000	↑ 1.45	↑ 0.48
FP	0.9020	↑ 1.12	↑ 1.81
SNG	32.3000	↑ 0.94	↑ 5.56
EL	10.6400	↑ 0.76	↑ 5.35

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.87	↓ -1.5	→ 0.0
12 month	3.04	↓ -0.5	↑ 3.0
3 year	3.62	↓ -0.5	↓ -3.5
5 year	4.06	↑ 2.5	↓ -6.5
10 year	4.73	↓ -1.0	↓ -1.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12.5Y	RON 200 mn	RON 214 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3.52	↓ -5	↑ 161
3M ROBOR	3.23	→ 0	↑ 11
6M ROBOR	3.32	→ 0	↑ 1
1Y ROBOR	3.53	→ 0	↑ 2
5Y CDS	96.18	↑ 0	↑ 2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.7535	↓ -0.04	↓ -0.17
USD/RON	4.2192	↑ 0.38	↑ 0.58
CHF/RON	4.2352	↑ 0.03	↑ 1.17
HUF/RON	0.0150	↑ 0.21	↓ -0.70

Sources: Reuters, OTP Research

Summary

- The levy on bank assets could be reduced significantly, a draft emergency decree of the Finance Ministry showed last night.
- In February, non-government loans rose by 8.0% YoY.
- Equity markets picked up on Tuesday.

On Tuesday night the Ministry of Finance published a draft emergency decree, confirming the government's plan to significantly lower (from 1.2% to 0.2%-0.4%) the widely criticised tax on bank assets. In addition, the levy will not be linked to interbank money market rates, the document also showed. The government may also postpone the enforcement of higher capital requirements in the case of private pension funds. Nevertheless, the 2% turnover tax on energy companies, as well as the government's plan to cap electricity and gas prices for households remained on the agenda. The draft is expected to be approved tomorrow.

In February, the growth pace of non-government loans slowed to 8.0% YoY, down from 8.4% YoY a month earlier, the NBR said yesterday. Excluding the impact of the leu's depreciation, non-government credit increased by 7.3% YoY in February versus 7.6% YoY in January, our in-house estimation reveals. The slowdown was mainly due to company loans, which posted 6.6% YoY increase (vs. 7.2% YoY). However, household debt also slowed a bit, posting 9.3% YoY gain, after January's 9.4% YoY growth pace. Housing loans rose by 11.2% YoY (down from 11.5% YoY), while consumer credit added 6.9% YoY (unchanged compared to January). In the light of stricter credit conditions for households (a more conservative debt-service-to-income rule took effect on 1 January) and due to the concerns triggered by the new bank tax, we had expected a somewhat stronger slowdown in February. Non-government deposits recorded 9.1% annual increase last month, down from January's 9.5% advance, the NBR's report also revealed.

Yesterday Romania's leu visited the 4.76 mark compared to the euro, but it was able to reverse the losses late in the afternoon, ending the day practically flat.

Bucharest stock indices performed well on Tuesday, benefiting from improved trading sentiment across the globe. The BET added 1.1%, with the BRD rallying the most (+2.4%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
25-Mar	Monday				
26-Mar	Tuesday	February	Non-government loans (YoY%)	8.0	8.4
		February	Non-government deposits (YoY%)	9.1	9.5
27-Mar	Wednesday				
28-Mar	Thursday				
29-Mar	Friday				

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		25-Mar-19					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.7831	↑	0.30	↑	5.51	↓ -6.72
OTP Obligatiuni	RON	15.4244	↑	0.52	↑	1.35	↑ 2.62
OTP ComodisRO	RON	17.8967	↑	0.22	↑	0.65	↑ 2.76
OTP Euro Bond	EUR	12.7916	↑	0.40	↑	0.82	↓ -0.08
OTP Dollar Bond	USD	11.1844	↑	0.43	↑	1.14	↑ 1.63
OTP Premium Return	RON	11.4512	↓	0.00	↑	2.42	↓ -3.02
OTP Euro Premium Return	EUR	8.3620	↑	0.02	↓	-1.65	↓ -13.78
OTP Global Mix	RON	11.0561	↑	0.32	↑	3.46	↓ -4.78

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