

Date: 08.05.2019

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET | 8,370.72 | ↓ -0.58 | ↓ -0.84 |
| BET-TR | 12,343.88 | ↓ -0.58 | ↓ -0.84 |
| BET-FI | 35,674.12 | ↓ -1.00 | ↓ -1.76 |
| BET-XT | 758.58 | ↓ -0.62 | ↓ -0.76 |
| BRD | 13.5000 | → 0.00 | ↓ -1.03 |
| EL | 10.9000 | ↓ -3.54 | ↓ -2.68 |
| FP | 0.9500 | ↓ -1.04 | ↓ -2.86 |
| TLV | 2.1450 | ↓ -0.46 | ↓ -2.72 |
| SNG | 33.7500 | ↓ -0.30 | ↑ 2.74 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 3.02 | → 0.0 | ↓ -6.5 |
| 12 month | 3.14 | → 0.0 | ↓ -7.0 |
| 3 year | 3.74 | ↑ 0.5 | ↑ 0.5 |
| 5 year | 4.16 | → 0.0 | ↓ -2.5 |
| 10 year | 4.93 | → 0.0 | ↑ 1.5 |

GOV'T BOND AUCTIONS

| | Maturity | Auctions | Sold |
|-----------|----------|------------|--------------|
| Wednesday | 4.6Y | EUR 100 mn | EUR 194 mn |
| Wednesday | 1.8Y | EUR 150 mn | EUR 229.2 mn |

MONEY MARKET

| | Rate (%/bp) | Daily chg (bp) | Weekly chg (bp) |
|----------|-------------|----------------|-----------------|
| ON ROBOR | 2.56 | ↓ -7 | ↓ -70 |
| 3M ROBOR | 3.30 | ↓ -1 | ↓ -7 |
| 6M ROBOR | 3.40 | → 0 | ↓ -2 |
| 1Y ROBOR | 3.54 | ↓ -1 | ↓ -1 |
| 5Y CDS | 77.31 | ↓ 0 | ↓ -2 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|---------|--------|----------------|-----------------|
| EUR/RON | 4.7571 | ↓ -0.01 | ↓ -0.04 |
| USD/RON | 4.2506 | ↑ 0.02 | ↑ 0.01 |
| CHF/RON | 4.1653 | ↓ -0.11 | ↓ -0.24 |
| HUF/RON | 0.0147 | ↑ 0.01 | ↑ 0.08 |

Sources: Reuters, OTP Research

Summary

- The EUR/RON failed to consolidate above 4.76 yesterday.
- Yesterday's Eurobond auctions were successful.
- The BET gave up 0.6%.

Trading sentiment on Western European markets improved yesterday, helping equity markets to recover some of their earlier losses. Nevertheless, the optimism was rather short-lived, after concerns about US-China talks re-surfaced. In the USA equity markets closed mostly in red late evening and, in this morning, Western European stocks opened in negative territory.

On Wednesday, the EUR/RON failed to break above the 4.76 mark, and finished the day practically unchanged.

Yesterday's Eurobond auctions were successful, with banks subscribing for EUR 409.2 mn and EUR 356.2 mn in the case of the 1.8Y and the 4.6Y papers. Benefiting from the healthy demand, debt managers sold more than planned in both cases: EUR 229.2 mn (vs. EUR 150 mn) and EUR 194 mn (vs. EUR 100 mn). The average accepted yield stood at 0.21% and 0.84% respectively. In the latest period, the Ministry of Finance borrowed more frequently in foreign currency and it also plans to continue this strategy, most likely, due to the lower borrowing costs of euro issuances. This strategy seems to be quite an exception in the CEE region, with most of Romania's peers trying to reduce their FX exposure.

Today the Ministry of Finance puts up for sale RON 400 mn debt via 1Y bills as well as additional RON 400 mn through bonds expiring in February 2029.

Yesterday Bucharest's BET index was not able to keep pace with its Western European peers and gave up 0.6%.

Tomorrow morning the NIS will reveal external trade statistics for March. We recall that in the first two months of this year, domestic-demand-driven imports grew faster than exports, causing the trade gap to widen further. We think that after February's acceleration, the annual growth pace of exports and imports will slow in March.

| Date | PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|--------|-----------|-----------|---|-----------|----------|
| 6-May | Monday | March | Retail trade (YoY%) | 8.4 | 9.3 |
| | | March | Tourists' overnight stays (YoY%) | 6.7 | 11.4 |
| 7-May | Tuesday | March | Licenses for residential buildings (YoY%) | 12.1 | 4.7 |
| 8-May | Wednesday | | no data | | |
| 9-May | Thursday | | no data | | |
| 10-May | Friday | March | Exports (FOB, YoY%) | | 8.0 |
| | | March | Imports (CIF, YoY%) | | 11.0 |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds | | 7-May-19 | | | | | |
|---------------------------|-----|------------|---|------|---|-------|----------|
| Investment funds | ccy | last NAV/U | | 1m% | | Ytd% | 52W% |
| OTP AvantisRO | RON | 11.0727 | ↑ | 0.94 | ↑ | 8.35 | ↓ -2.26 |
| OTP Obligatiuni | RON | 15.5482 | ↑ | 0.63 | ↑ | 2.16 | ↑ 3.26 |
| OTP ComodisRO | RON | 17.9555 | ↑ | 0.25 | ↑ | 0.98 | ↑ 2.91 |
| OTP Euro Bond | EUR | 12.8581 | ↑ | 0.37 | ↑ | 1.34 | ↑ 0.49 |
| OTP Dollar Bond | USD | 11.2621 | ↑ | 0.55 | ↑ | 1.84 | ↑ 2.15 |
| OTP Premium Return | RON | 11.6044 | ↑ | 0.59 | ↑ | 3.80 | ↓ -1.90 |
| OTP Euro Premium Return | EUR | 8.4483 | ↑ | 0.14 | ↓ | -0.63 | ↓ -13.21 |
| OTP Global Mix | RON | 11.1746 | ↑ | 0.12 | ↑ | 4.57 | ↓ -5.03 |

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