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# Daily Report – Romania

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**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,583.26	↑ 0.09	↑ 0.01
BET-TR	13,659.89	↑ 0.15	↑ 3.80
BET-FI	37,925.64	↑ 0.24	↓ -2.24
BET-XT	778.43	↑ 0.22	↑ 0.15
TLV	2.3100	↑ 1.54	↓ -0.65
FP	1.0150	↓ -1.46	↓ -5.58
SNN	11.9600	↑ 0.34	↑ 4.73
BRD	11.9000	↓ -0.34	↑ 3.30
SNP	0.3925	→ 0.00	↑ 2.75

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.01	↓ -1.0	↓ -2.0
12 month	3.18	↑ 1.0	↓ -1.5
3 year	3.77	↑ 2.0	↓ -1.0
5 year	4.13	↓ -2.0	↓ -5.5
10 year	4.61	↓ -5.5	↓ -18.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	5Y	RON 600 mn	RON 990.1 mn
Thursday	2Y	RON 300 mn	
Thursday	12.3Y	RON 300 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.69	↑ 5	↑ 5
3M ROBOR	3.24	↓ -1	→ 0
6M ROBOR	3.37	↓ -1	↓ -1
1Y ROBOR	3.54	→ 0	→ 0
5Y CDS	79.13	↑ 0	↓ -1

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.7174	↓ -0.01	↓ -0.33
USD/RON	4.1693	↑ 0.15	↓ -0.95
CHF/RON	4.2123	↓ -0.04	↓ -0.70
HUF/RON	0.0147	↓ -0.02	↑ 0.64

Sources: Reuters, OTP Research

**Summary**

- In the first four months of 2019, Romania's FOB-CIF trade deficit rose to EUR 5.0 bn, EUR 1.3 bn higher than in the same period of the previous year.
- The EUR/RON consolidated below the 4.72 mark.
- The Treasury sold RON 990 mn debt, more than planned.

In annual comparison, the growth rates of both exports (FOB) and imports (CIF) accelerated in April, the NIS said in a report yesterday. Exports grew by 5.7% YoY, up from March's subdued 0.4% YoY gain. Nevertheless, this uptick was not enough to catch up with import's growth (10.6% YoY, after March's 2.7% YoY advance). Accordingly, the country's FOB-CIF trade balance continued to widen. In the first four months of this year, the trade gap increased to EUR 5.0 bn, EUR 1.3 bn wider than in the same period of last year. This widening trend does not bode well for this year's outlook, therefore, we expect the country's current account deficit to slightly exceed 5% of GDP in 2019. We recall that, at the end of Q1 2019, Romania's current account deficit stood at 4.5% of GDP (twelve-month rolling basis), unchanged compared to Q4 2018. However, this stabilisation came on the back of a correction in the balance of primary incomes (due to lower profits at foreign-owned companies), while underlying dynamics (the balance of goods as well as services) continued to worsen. Later this week, the National Bank of Romania will publish more detailed balance of payment statistics for April.

Tomorrow morning consumer price data for May will see the light of day.

Monday's global trading sentiment was optimistic, helped by the easing of US-Mexico trade tensions. At the same time, the EUR/RON cross consolidated slightly below the 4.72 mark. It is worth mentioning that the EUR/RON has been on a downward trend in the past few weeks, after yields in several key economies of the world had fallen, making the leu more attractive. Yesterday's 5Y bond auction was also successful, with the Treasury selling more than planned (RON 990.1 mn vs. RON 600 mn). The average accepted yield eased as well, to 4.29%, down from 4.46% in a similar auction a month earlier. Meanwhile, Romanian stock closed mostly in positive territory.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
10-Jun	Monday	April	Exports (FOB, YoY%)	5.7	0.4
		April	Imports (CIF, YoY%)	10.6	2.7
11-Jun	Tuesday	no data			
12-Jun	Wednesday	May	Consumer price index (YoY%)	3.9	4.1
		April	Industrial trade turnover index (YoY%)		4.7
		April	Index value of new orders in manufacturing (YoY%)		2.4
13-Jun	Thursday	April	Industrial production (YoY%)		-0.2
		April	Turnover of market serv. provided to the population (YoY%)		18.2
		April	CA balance (EUR mn, YTD)		-1,212
14-Jun	Friday	April	Construction works (YoY%)		23.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		7-Jun-19					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.7724	↑	6.32	↑	15.19	↑ 7.98
OTP Obligatiuni	RON	15.6802	↑	0.85	↑	3.03	↑ 4.27
OTP ComodisRO	RON	18.0044	↑	0.27	↑	1.25	↑ 3.06
OTP Euro Bond	EUR	12.9534	↑	0.74	↑	2.09	↑ 1.51
OTP Dollar Bond	USD	11.3475	↑	0.76	↑	2.61	↑ 2.97
OTP Premium Return	RON	11.7772	↑	1.49	↑	5.34	↑ 0.32
OTP Euro Premium Return	EUR	8.4627	↑	0.17	↓	-0.46	↓ -12.04
OTP Global Mix	RON	11.1485	↓	-0.23	↑	4.33	↓ -4.86

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