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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,108.84	↓ -0.19	↓ -1.13
BET-TR	11,514.84	↓ -0.18	↓ -1.13
BET-FI	37,145.15	↓ -0.39	↓ -2.17
BET-XT	752.54	↓ -0.26	↓ -1.34
TGN	387.00	↓ -1.40	↓ -2.76
TLV	2.35	↓ -0.21	↓ -2.08
SNG	36.70	↑ 0.14	↑ 1.10
FP	0.89	→ 0.00	↓ -0.56
SNP	0.32	↓ -0.63	↓ -0.94

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.00	↑ 6.5	↑ 11.5
12 month	3.13	↑ 4.5	↑ 10.5
3 year	3.97	↑ 5.0	↑ 14.5
5 year	4.63	↑ 3.0	↑ 9.5
10 year	4.99	↑ 7.0	↑ 8.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.3Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3.42	↑ 82.0	↑ 82.0
3M ROBOR	3.09	↑ 14.0	↑ 19.0
6M ROBOR	3.16	↑ 9.0	↑ 14.0
1Y ROBOR	3.27	↑ 10.0	↑ 15.0
5Y CDS	85.11	↑ 0.0	↑ 1.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6617	↓ -0.17	↓ -0.04
USD/RON	3.9989	↓ -0.65	↓ -0.48
CHF/RON	4.0475	↓ -0.26	↑ 0.54
HUF/RON	0.0143	↑ 0.28	↓ -0.78

Sources: Reuters, OTP Research

Summary

- On Friday, the EUR/RON returned to 4.66.
- Seniors members of ruling Social Democrats continue to support Mr Dragnea, the president of Romania's largest party.
- The ROBOR 3M hit 3.09%.
- The BET lost 0.2%.

On Friday, favourable PMI (purchasing manager index) data for June as well as an agreement of Eurozone finance ministers to ease the debt burden of Greece provided support to trading sentiment in Europe. On the back of the positive news, the euro firmed around 0.5% compared to the US dollar. Meanwhile, the CEE region's currencies strengthened 0.1% - 0.5% against the euro. Romania's leu rebounded too, marking a 0.2% gain. As a result, the EUR/RON finished Friday's session near 4.66, after it visited territories above 4.67 a day earlier.

On a meeting late Friday, senior members of ruling Social Democrats expressed their backing for party leader Mr Dragnea. This came after Mr Dragnea, Romania's most powerful politician has been condemned to jail for instigating to abuse in office. It is important to add, that the sentence of the Supreme Court is not final. Opposition parties plan to read a motion of no-confidence against the government, but the cabinet is expected to win the vote owing to the coalition's majority in Romania's parliament.

Today the Ministry of Finance plans to sell RON 500 mn debt via 3.3Y bonds.

On Friday, interbank lending rates marked sharp increases owing to tighter liquidity conditions. The ROBOR 3M, the main benchmark for loans with variable interest rates, rose by 14 basis points, reaching 3.09%. This was the highest level since October 2014.

Despite the optimism seen in Western Europe, Romania's BET index slipped 0.2%, driven by the shares of the BVB (-2.0%) and Transgaz (-1.4%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
25-Jun	Monday	May	Non-government loans (YoY%)		6.8
		May	Non-government deposits (YoY%)		11.0
26-Jun	Tuesday	May	New commercial vehicle registrations (YoY%)		4.3
27-Jun	Wednesday		no data		
28-Jun	Thursday	June	Economic Sentiment Indicator		101.8
		June	Consumer Confidence Indicator		-24.3
29-Jun	Friday	May	Licenses for residential buildings (YoY%)		12.3

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		21-Jun-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.8782	↑ 0.62	↓ -1.82	↑ 1.89		
OTP Obligatiuni	RON	15.0489	↑ 0.03	↑ 0.67	↑ 1.41		
OTP ComodisRO	RON	17.4842	↑ 0.17	↑ 0.95	↑ 1.56		
OTP Euro Bond	EUR	12.7591	↓ -0.19	↓ -0.59	↑ 0.08		
OTP Dollar Bond	USD	11.0291	↑ 0.03	↑ 0.06	↑ 0.72		
OTP Premium Return	RON	11.6958	↓ -0.66	↓ -1.28	↑ 0.65		
OTP Euro Premium Return	EUR	9.4813	↓ -2.10	↓ -5.31	↓ -3.45		
OTP Global Mix	RON	11.6390	↓ -0.96	↓ -0.29	↑ 2.46		

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