

## Treasury Sales Team

+40372 31 85 88

sales.treasury@otpbank.ro



### Chief Economist

**Gergely Tardos**

+36 1 374 7273

tardosg@otpbank.hu

### Analyst

**Csaba Bálint**

+4021 307 58 96

csaba.balint@otpbank.ro

# Daily Report – Romania

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**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,990.15	↓ -0.19	↑ 1.23
BET-TR	11,635.22	↓ -0.22	↑ 1.20
BET-FI	37,615.33	↓ -0.34	↓ -0.10
BET-XT	742.30	↓ -0.26	↑ 0.76
BRD	13.42	↓ -0.45	↑ 2.44
WINE	17.70	↓ -3.01	→ 0.00
SNG	31.80	↓ -2.15	↓ -3.20
TLV	2.49	→ 0.00	↑ 2.47
TGN	328.00	↑ 0.92	↑ 7.54

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.28	↓ -0.5	↓ -3.5
12 month	3.37	↑ 0.5	↓ -3.0
3 year	4.19	↓ -0.5	↓ -10.0
5 year	4.70	→ 0.0	↓ -10.0
10 year	4.92	→ 0.0	↓ -17.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	13.2Y	RON 200 mn	RON 209.8 mn
Thursday	5.8Y	RON 400 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.60	↑ 3.0	↓ -17.0
3M ROBOR	3.37	↑ 2.0	↑ 2.0
6M ROBOR	3.48	→ 0.0	↑ 2.0
1Y ROBOR	3.57	↑ 1.0	↑ 3.0
5Y CDS	82.92	↓ -0.1	↓ -0.2

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6547	↑ 0.08	↓ -0.09
USD/RON	3.9993	↑ 0.28	↑ 0.21
CHF/RON	4.0025	↑ 0.37	↓ -0.19
HUF/RON	0.0144	↓ -0.03	↑ 0.34

Sources: Reuters, OTP Research

**Summary**

- The EUR/RON had a calm trading session on Wednesday.
- Romania's Constitutional Court overturned the parliamentary bill to set up a sovereign wealth fund.
- The ROBOR 3M climbed two basis points higher, to 3.37%.
- In contrast with its key global peers, the BET fell slightly.

Yesterday the US dollar firmed slightly compared to the common European currency, after the Fed's Beige Book, an anecdotal account of business conditions, said that the US economy was increasing at a 'modest' pace or even faster in most of its regions. Nonetheless, the report also noted that labour shortages and rising costs with raw materials limits the likelihood of much faster growth. Meanwhile, Federal Reserve chief Jerome Powell hinted that the Fed was on track to raise its benchmark rates twice in the second half of 2018.

On Wednesday, EUR/RON had a calm day, with the cross hovering in a very tight range. Similarly to the leu, other currencies of the CEE region showed modest changes. Poland's zloty and the Hungarian forint weakened marginally (0.3% and 0.1% respectively), while the Czech koruna firmed a bit against the euro.

Romania's Constitutional Court ruled against an important policy goal of the ruling coalition, to set up a sovereign wealth fund. The parliamentary bill was approved by coalition parties, stating that the fund would stimulate economic growth via investments in several sectors. However, opposition politicians considered the bill as a potential avenue for corruption.

Yesterday the ROBOR 3M inched two basis points higher, to 3.37%, while government securities' yield showed little variation. Today the Treasury plans to borrow RON 400 mn via bonds maturing in April 2024.

In Western Europe, the weaker euro helped the key stock indices to register nice gains, while in the USA, the Fed's upbeat assessment about the economy provided support for equities. Nevertheless, Romanian stocks closed mostly in red amid low volumes. The BET gave up 0.2%, after registering an eight-session-long rally.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
16-Jul	Monday	May	Turnover of market serv. rendered mainly to enterp. (YoY%)	5.1	9.2
		May			
	May	CA balance (EUR mn, YTD)	-3,018	-2,053	
17-Jul	Tuesday	June	New passenger car registrations (YoY%)	52.4	43.3
18-Jul	Wednesday		no data		
19-Jul	Thursday		no data		
20-Jul	Friday	Q1 2018	Government deficit (ESA, % of GDP, 4Q rolling)		-2.9

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		17-Jul-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.8309	↓ -1.70	↓ -2.24	↑ 1.51		
OTP Obligatiuni	RON	15.0642	↑ 0.12	↑ 0.77	↑ 1.59		
OTP ComodisRO	RON	17.4974	↑ 0.12	↑ 1.03	↑ 1.57		
OTP Euro Bond	EUR	12.7701	↑ 0.09	↓ -0.51	↑ 0.38		
OTP Dollar Bond	USD	11.0473	↑ 0.21	↑ 0.23	↑ 0.86		
OTP Premium Return	RON	11.7157	↓ -0.20	↓ -1.11	↑ 1.45		
OTP Euro Premium Return	EUR	9.5537	↓ -0.29	↓ -4.58	↓ -2.57		
OTP Global Mix	RON	11.6500	↓ -0.61	↓ -0.20	↑ 3.38		

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