



Date: 23.07.2018

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,949.39	↑ 0.65	↓ -0.44
BET-TR	11,574.21	↑ 0.65	↓ -0.48
BET-FI	37,681.44	↑ 0.27	↓ -0.60
BET-XT	738.69	↑ 0.53	↓ -0.60
SNG	31.35	↑ 0.80	↓ -4.27
FP	0.89	↑ 0.34	→ 0.00
TGN	325.00	→ 0.00	↑ 0.62
TLV	2.49	↑ 0.81	↑ 0.20
SFG	25.00	↓ -3.85	↓ -7.06

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.36	↑ 5.5	↑ 8.5
12 month	3.47	↑ 6.0	↑ 10.0
3 year	4.32	↑ 10.5	↑ 13.0
5 year	4.80	↑ 7.0	↑ 10.0
10 year	5.00	↑ 5.0	↑ 7.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	3.3Y	RON 400 mn	RON 298 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.86	↓ -77.0	↓ -73.0
3M ROBOR	3.41	↑ 2.0	↑ 6.0
6M ROBOR	3.52	↑ 2.0	↑ 5.0
1Y ROBOR	3.62	↑ 1.0	↑ 6.0
5Y CDS	82.81	↑ 0.1	↓ -0.2

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6465	↓ -0.14	↓ -0.22
USD/RON	3.9743	↑ 0.10	↓ -0.05
CHF/RON	4.0039	↑ 0.10	↑ 0.38
HUF/RON	0.0142	↓ -0.41	↓ -1.22

Sources: Reuters, OTP Research

**Summary**

- Romania's leu outperformed its peers in the CEE region, driving the EUR/RON below the 4.65 mark.
- The MoF sold less than planned in yesterday's bond tender.
- Government securities' yields and interbank interest rates mostly rose.
- In January-May, Romania's banking system recorded EUR 0.7 bn profit.
- The BET finished in the green; OMW Petrom and Romgaz continued to recover.

On Monday, trading mood was dampened in Europe and mixed on US markets. The greenback started the session on a weak note, but it firmed later, bringing the EUR/USD below the 1.17 mark. It may be worth noting that the US dollar lost around 0.7% on Friday, after President Mr Trump accused China and the EU of currency and interest rate manipulation and also criticized the Fed's monetary tightening. A G20 assessment about the potential impacts of trade disputes on global economic growth also weighed on the sentiment. The CEE region's currencies mostly weakened compared to the euro, with Poland's zloty and the Hungarian forint losing 0.2% and 0.3% respectively. Nevertheless, the leu decoupled from its peers, pushing the EUR/RON cross below the 4.65 resistance.

Yesterday the Ministry of Finance sold less than planned in 3.3Y bonds (RON 298 mn vs. RON 400 mn), while the average accepted yield rose to 4.67%, up from 4.58% in a similar tender in June. Dealers subscribed for RON 467.6 mn. Simultaneously, government securities' benchmark yields shifted 5-11 bps higher, the centralised data of the NBR showed.

Interbank lending rates mostly increased too, with the 3M ROBOR reaching 3.41%, another multi-year high.

In the first five months of this year, Romania's banking sector registered EUR 685 mn profit, NBR governor Mr Isarescu said at a conference.

Today the NBR will reveal June's non-government loan and deposit statistics.

Despite the gloomy sentiment in Europe, the BET inched higher (+0.6%), driven by the shares of Transelectrica (+1.6%) and BRD (+1.5%). Simultaneously, OMW Petrom (+1.0%) and Romgaz (+0.8%) continued to recover. We recall that the shares of oil and gas group OMW Petrom and gas producer Romgaz registered sharp losses last Thursday, on the back of a draft bill that aimed to lower and cap sale price of natural gas. Nonetheless, they started to pick up after the withdrawal of the bill.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
23-Jul	Monday		no data		
24-Jul	Tuesday	June	Non-government loans (YoY%)		6.4
		June	Non-government deposits (YoY%)		10.6
25-Jul	Wednesday	June	New commercial vehicle registrations (YoY%)		-9.8
26-Jul	Thursday		no data		
27-Jul	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		20-Jul-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.7752	↓ -0.91	↓ -2.75	↓ -0.78		
OTP Obligatiuni	RON	15.0665	↑ 0.12	↑ 0.78	↑ 1.56		
OTP ComodisRO	RON	17.4998	↑ 0.09	↑ 1.04	↑ 1.58		
OTP Euro Bond	EUR	12.7708	↑ 0.10	↓ -0.50	↑ 0.32		
OTP Dollar Bond	USD	11.0482	↑ 0.17	↑ 0.23	↑ 0.82		
OTP Premium Return	RON	11.7070	↓ -0.01	↓ -1.18	↑ 1.25		
OTP Euro Premium Return	EUR	9.5362	↑ 0.08	↓ -4.76	↓ -2.81		
OTP Global Mix	RON	11.6490	↓ -0.19	↓ -0.20	↑ 3.30		

## Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centered on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to [newsletters@otpbank.ro](mailto:newsletters@otpbank.ro) or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.