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Daily Report – Romania

Date: 14.08.2018 (FX data as of 15.08.2018)

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,084.04	↓ -0.14	↓ -1.29
BET-TR	11,774.96	↓ -0.14	↓ -1.31
BET-FI	37,854.89	↓ -0.19	↓ -0.27
BET-XT	749.91	↓ -0.26	↓ -1.39
TLV	2.33	↑ 0.43	↑ 1.08
SNP	0.32	↓ -0.93	↓ -3.05
BRD	13.58	↓ -0.15	↓ -3.55
SNG	32.20	↑ 0.31	↓ -0.62
FP	0.89	→ 0.00	↓ -0.22

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.16	→ 0.0	↓ -8.5
12 month	3.30	↓ -1.0	↓ -9.0
3 year	4.01	↑ 3.0	↓ -9.5
5 year	4.50	↑ 1.0	↓ -10.0
10 year	4.80	↑ 2.5	↓ -3.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.2Y	RON 400 mn	RON 90.7 mn
Thursday	13.1Y	RON 100 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.65	↓ -2.0	↓ -4.0
3M ROBOR	3.26	↓ -2.0	↓ -10.0
6M ROBOR	3.43	→ 0.0	↓ -3.0
1Y ROBOR	3.55	→ 0.0	↓ -2.0
5Y CDS	82.52	↓ -0.1	↑ 0.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6657	↑ 0.21	↑ 0.54
USD/RON	4.1124	↑ 0.20	↑ 2.89
CHF/RON	4.1383	↑ 0.23	↑ 2.85
HUF/RON	0.0144	↓ -0.24	↓ -0.97

Sources: Reuters, OTP Research

Summary

- Turkey's currency crisis remained in the focus yesterday.
- This morning, the EUR/RON was traded marginally below the 4.66 mark.
- The ROBOR 3M eased to 3.26%.
- Today the Ministry of Finance plans to borrow RON 100 mn through 13Y bonds.

Concerns surrounding Turkey's currency crisis, as well as trade tensions, continued to weigh on investor confidence in Wednesday, even though some positive news reports also appeared. After a meeting between Turkey's President Erdogan and Qatar's Sheikh Tamim bin Hamad Al Thani, Qatar pledged to invest USD 15 bn in Turkey. On the news, the Turkish lira firmed around 5%.

Yesterday the EUR/USD was traded in the range of 1.1300-1.1350, ending the session almost unchanged. This came after the US dollar had rallied against the euro in the previous few days, fuelled by rising risk aversion and as Europe is considered to be more exposed to a downturn in Turkey, owing to its tighter economic and financial connections with the crisis-hit country. Trading with the EUR/RON was muted yesterday, owing to Assumption Day holiday. This morning the EUR/RON fell below the 4.66 mark.

On Tuesday the ROBOR 3M eased by two basis points, to 3.26%. We recall that at the beginning of August, the NBR left the [policy rate](#) unchanged at 2.50%, surprising the market. Moreover, the central bank also started to provide extra liquidity to the market via one-week repo operations, helping interbank lending rates to decrease. The NBR's actions came as consumer price [inflation](#) marked a turning point in summer months.

Today the Ministry of Finance plans to sell RON 100 mn debt via 13Y bonds.

Romanian stocks moved in different directions on Tuesday, with the BET recording a small loss (0.1%). Equity markets fell sharply on both side of Atlantic yesterday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
13-Aug	Monday	June	CA balance (EUR mn, YTD)	-3,781	-3,018
		June	Turnover of market serv. provided to the population (YoY%)	1.3	3.4
14-Aug	Tuesday	Q2 2018	Flash GDP growth rate (YoY%)	4.1	3.8
		June	Turnover of market serv. rendered mainly to enterp. (YoY%)	8.4	5.5
		June	Wholesale turnover index (YoY%)	13.0	11.0
		June	Construction works (YoY%)	0.9	4.8
15-Aug	Wednesday		no data		
16-Aug	Thursday		no data		
17-Aug	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		13-Aug-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.9107	↑ 0.96	↓ -1.52	↑ 0.15		
OTP Obligatiuni	RON	15.1001	↑ 0.28	↑ 1.01	↑ 1.54		
OTP ComodisRO	RON	17.5365	↑ 0.25	↑ 1.25	↑ 1.73		
OTP Euro Bond	EUR	12.7556	↓ -0.10	↓ -0.62	↓ -0.12		
OTP Dollar Bond	USD	11.0619	↑ 0.14	↑ 0.36	↑ 0.77		
OTP Premium Return	RON	11.7388	↑ 0.45	↓ -0.91	↑ 1.66		
OTP Euro Premium Return	EUR	9.5033	↓ -0.34	↓ -5.09	↓ -2.97		
OTP Global Mix	RON	11.5542	↓ -0.56	↓ -1.02	↑ 3.05		

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