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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,373.53	↑ 0.87	↑ 1.97
BET-TR	12,198.25	↑ 0.88	↑ 1.95
BET-FI	38,541.97	↓ -0.43	↑ 1.76
BET-XT	772.22	↑ 0.67	↑ 1.62
SNP	0.34	↑ 2.42	↑ 2.74
TLV	2.36	↑ 0.64	↓ -0.21
BRD	14.10	↑ 0.71	→ 0.00
FP	0.93	→ 0.00	↑ 5.44
SNG	32.90	↑ 0.92	↑ 0.92

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.17	→ 0.0	↓ -5.0
12 month	3.33	↑ 0.5	↓ -1.0
3 year	3.90	↑ 1.0	↓ -7.5
5 year	4.33	↑ 2.0	↓ -15.0
10 year	4.76	↑ 5.5	↓ -4.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2.2Y	RON 300 mn	RON 339.2 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.72	↓ -3	↑ 97
3M ROBOR	3.25	↓ -2	↓ -2
6M ROBOR	3.43	→ 0	↑ 1
1Y ROBOR	3.55	→ 0	↓ -1
5Y CDS	82.87	↓ 0	↑ 0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6431	↓ -0.07	↑ 0.01
USD/RON	3.9703	↓ -0.21	↓ -1.07
CHF/RON	4.0660	↑ 0.12	↓ -0.22
HUF/RON	0.0143	↓ -0.08	↓ -0.17

Sources: Reuters, OTP Research

Summary

- The banking system's NPL ratio fell to 5.7% in June.
- Romania's leu firmed marginally on low volumes.
- The ROBOR 3M continued to ease.
- Romanian stocks fared well yesterday.

In June, the banking system's level non-performing loan (NPL) ratio decreased to 5.71%, down from 5.98% in May, Romania's central bank said in a report yesterday. A year earlier, the NPL indicator stood at 8.32%.

Today the Ministry of Finance is to reveal government budget statistics for the first seven months of this year.

Following Monday's enthusiasm, trading sentiment on global financial markets was rather mixed on Tuesday. The EUR/USD cross climbed slightly higher (+0.1%), reaching 1.17 as investors continued to digest news on the USA-Mexico trade deal, which was announced by US President Trump on Monday.

The CEE region's currencies showed little variation, with Poland's zloty, the Czech koruna and the Hungarian forint ending the day broadly flat compared to the euro. At the same time, Romania's leu registered small gain (0.1%) versus the common European currency.

Interbank lending rates mostly eased yesterday, with the ROBOR 3M decreasing by two basis points to 3.25%. We recall that on Monday the National Bank of Romania provided RON 12.2 bn extra liquidity to the market via a one-week repo operation, which helped ROBOR rates to ease.

In Europe, the key stock indices changed mixed, while their US peers registered slight gains. In Bucharest, equities performed well, helping the BET to increase by 0.9%. The largest advances were registered by the shares of OMW Petrom (2.4%) and Transgaz (2.3%). Nonetheless, equities' total turnover remained low, with trades amounting to RON 23.4 mn.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
27-Aug	Monday		no data		
28-Aug	Tuesday		no data		
29-Aug	Wednesday		no data		
30-Aug	Thursday	August	Economic Sentiment Indicator		100.5
		August	Consumer Confidence Indicator		-22.4
31-Aug	Friday	July	ILO unemployment rate (% , seasonally adjusted)		4.5
		July	Licenses for residential buildings (YoY%)		10.8

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		27-Aug-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.9718	↑	0.83	↓	-0.97	↓ -0.60
OTP Obligatiuni	RON	15.1175	↑	0.26	↑	1.13	↑ 1.59
OTP ComodisRO	RON	17.5631	↑	0.30	↑	1.41	↑ 1.84
OTP Euro Bond	EUR	12.7534	↓	-0.15	↓	-0.64	↓ -0.21
OTP Dollar Bond	USD	11.0689	↑	0.14	↑	0.42	↑ 0.76
OTP Premium Return	RON	11.8196	↑	0.82	↓	-0.23	↑ 2.10
OTP Euro Premium Return	EUR	9.5957	↑	0.34	↓	-4.16	↓ -2.37
OTP Global Mix	RON	11.6379	↑	0.11	↓	-0.30	↑ 3.33

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