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# Daily Report – Romania

Date: 05.01.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,200.57	↓ -0.21	↑ 2.44
BET-TR	8,894.65	↓ -0.21	↑ 2.44
BET-FI	30,580.84	↓ -0.04	↑ 4.37
BET-XT	655.50	↓ -0.19	↑ 2.83
TLV	2.3850	↑ 0.21	↑ 1.71
SNG	25.4500	↑ 0.99	↑ 3.04
SNP	0.2805	↑ 1.08	↑ 7.68
BRD	11.5200	↓ -1.37	↓ -0.52
SIF3	0.2560	↑ 1.39	↑ 4.49

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.72	↓ -1.5	↓ -6.0
12 month	0.85	↓ -1.0	↓ -7.0
3 year	1.48	↓ -4.0	↓ -8.0
5 year	2.39	→ 0.0	↓ -9.0
10 year	3.43	↓ -3.5	↓ -15.0

**GOV'T BOND AUCTIONS**

Thursday	Maturity	Auctions	Sold
	2.2Y	RON 500 mn	RON 500 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.49	↓ -3.0	↓ -11.0
3M ROBOR	0.84	↓ -2.0	↓ -5.0
6M ROBOR	1.11	↓ -1.0	↓ -2.0
1Y ROBOR	1.23	↓ -1.0	↓ -3.0
5Y CDS	98.50	↓ -0.9	↓ -1.8

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5078	↓ -0.04	↓ -0.60
USD/RON	4.2502	↓ -1.14	↓ -1.67
CHF/RON	4.2089	↓ -0.10	↓ -0.41
100HUF/RON	0.0146	↓ -0.02	↑ 0.21

Sources: Reuters, OTP Research

**Summary**

- Today the NBR may keep the policy rate unchanged, at 1.75%.
- Pensions below RON 2,000 will be exempted from tax, starting from next month.
- In November, producer prices eased 0.2% YoY, after October's 0.3% YoY fall.
- The number of new building permits eased by 0.8% YoY in November.
- Tourists' overnight stays lost some steam in the penultimate month of 2016.

Today the National Bank of Romania will keep its first monetary policy meeting of the year. According to expectations, the benchmark rate could remain unchanged.

A set of fiscal loosening measures were approved in Romania's Parliament yesterday, including large tax reliefs for pensioners. The new set of actions together with the perspective of other similar measures put significant pressure on this year's budget balance.

In addition, the minimum wage will be raised by RON 200, to RON 1,450 as of 1 February.

The annual growth pace of producer prices in industry remained in negative territory, pointing to a 0.2% drop in November. In the previous month, it stood at -0.3% YoY. The largest fall (-7.2% YoY) was registered at the extraction of crude petroleum and natural gas segment. Nonetheless, the index accelerated in manufacturing (+1.0% YoY vs. +0.7% YoY).

In November, the number of licenses for residential buildings slipped by 0.8% YoY, to less than 2,700, after surging 13.6% YoY a month earlier, the National Institute of Statistics said yesterday. However, taking into account the useful area of the new buildings under construction (probably a better indicator for underlying dynamics), the picture seems to be much more favourable, as it grew by almost 27% YoY in November, close to 620.000 square metres.

November was a relatively weak month for hotel industry, a NIS report signalled recently. According to the latest statistics, the growth rate of tourists' overnight stays lost some steam, adding only 0.1% YoY in the penultimate month of last year, down from October's +4.7% YoY.

Retail trade was up by 10.5% YoY in November, accelerating from October's 7.9% gain, suggesting that households' consumption could have firmed in Q4, after Q3's negative surprise.

The RON showed modest changes compared to the EUR yesterday, while the BET slightly dropped (-0.2%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
4-Jan	Wednesday	no data			
5-Jan	Thursday	November	Producer Price Index (YoY%)	-0.2	-0.3
		November	Tourists' overnight stays (YoY%)	0.1	4.7
		November	Licenses for residential buildings (YoY%)	-0.8	13.6
6-Jan	Friday	November	Retail trade (YoY%)	10.5	7.9
			Base rate decision (%)		1.75
9-Jan	Monday	November	Exports (FOB, YoY%)		2.0
		November	Imports (CIF, YoY%)		3.3
		November	ILO unemployment rate (% , seasonally adjusted)		5.8

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		4-Jan-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	9.3023	↑ 4.50	↑ 1.72	↑ 10.72		
OTP Obligatiuni	RON	14.6826	↑ 0.18	↑ 0.05	↑ 2.94		
OTP ComodisRO	RON	17.1068	↑ 0.10	↑ 0.01	↑ 1.40		
OTP Euro Bond	EUR	12.6554	↑ 0.20	↑ 0.06	↑ 2.00		
OTP Dollar Bond	USD	10.8534	↑ 0.28	↑ 0.02	↑ 2.69		
OTP Premium Return	RON	11.2104	↑ 1.00	↑ 0.00	↑ 5.19		
OTP Euro Premium Return	EUR	10.0230	↑ 0.97	↑ 0.61	↑ 1.71		
OTP Global Mix	RON	10.8542	↑ 2.21	↑ 0.55	↑ 8.71		

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