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## Daily Report – Romania

Date: 02.02.2017

### STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,473.61	↓ -0.72	↑ 0.97
BET-TR	9,231.92	↓ -0.72	↑ 0.97
BET-FI	31,239.70	↓ -0.20	↑ 0.57
BET-XT	676.57	↓ -0.62	↑ 0.73
TLV	2.3700	↓ -0.42	↑ 0.64
EL	13.8400	↓ -1.42	↑ 1.62
SNG	27.2500	↓ -0.91	↑ 0.74
BRD	11.3000	↓ -0.88	↓ -1.40
TGN	319.0000	↑ 0.31	↑ 3.91

### GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.66	↓ -0.5	→ 0.0
12 month	0.99	↓ -0.5	↑ 3.5
3 year	1.79	↓ -0.5	↑ 17.0
5 year	2.79	↓ -0.5	↑ 24.0
10 year	3.80	↓ -1.0	↑ 29.5

### GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	2.1Y	RON 600 mn	RON 0 mn

### MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.48	→ 0.0	↑ 1.0
3M ROBOR	0.84	↓ -1.0	↑ 2.0
6M ROBOR	1.05	↑ 1.0	→ 0.0
1Y ROBOR	1.23	↑ 2.0	↑ 1.0
5Y CDS	94.94	→ 0.0	→ 0.0

### FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5197	↓ -0.52	↑ 0.49
USD/RON	4.2027	↓ -0.56	↓ -0.17
CHF/RON	4.2334	↓ -0.40	↑ 0.55
100HUF/RON	0.0146	↓ -0.59	↑ 1.12

Sources: Reuters, OTP Research

## Summary

- Yesterday large-scale protests continued in several cities of Romania.
- The leu bounced back, reversing some of its earlier losses against the euro.
- Thursday's bond auction was unsuccessful, after debt managers rejected all of the bids.
- After sharp upward shifts, government securities' yields eased marginally yesterday.
- Retail trade lost some steam in December, slowing to a 7.2% YoY annual growth rate.
- Romanian stock indices underperformed their Western European rivals, with the BET falling 0.7%.

On Thursday, large-scale street demonstrations, the biggest since the collapse of communism continued in many cities of Romania. The protests were triggered by the government's move to unexpectedly adopt emergency decrees, apparently impeding anti-corruption fight. According to the latest news, the leaders of the ruling parties do not intend to withdraw the recent amendments to the law, therefore further demonstrations are expected.

Amid the increased tensions, the EUR/RON continued to show relatively large movements, with the leu reversing some of its earlier losses, finishing the day around 0.5% stronger compared to the common European currency.

Yesterday the Ministry of Finance put up for sale 2.1Y bonds in value of RON 600 mn. Nevertheless, primarily dealers bid for an amount less than the planned (for only RON 560.5 mn). In these conditions, debt managers decided to reject all of the bids.

Simultaneously, the benchmark government securities' yields eased marginally, by one basis point, after they pointed to sharp increases in the previous few days on the back of rising uncertainties on the political scene.

Retail trade lost steam in December, slowing to an annual gain of 7.2%, down from November's 10.5% surge. On month-over-month basis, the retail trade index was practically flat (-0.1%, seasonally and working day adjusted data) in the last month of 2016, as food sales decreased by 2.1% MoM. This fall was offset by the expanding non-food (+0.5% MoM) and fuel segments (+4.2% MoM).

Romanian stocks finished in negative territory, driving the BET 0.7% lower. The key index underperformed its Western European peers, which registered modest changes.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
30-Jan	Monday	December	Licenses for residential buildings (YoY%)	-12.3	-0.8
		January	Economic Sentiment Indicator	105.0	103.8
		January	Consumer Confidence Indicator	-13.0	-17.4
31-Jan	Tuesday	December	ILO unemployment rate (% , seasonally adjusted)	5.5	5.7
1-Feb	Wednesday	January	FX Reserves (EUR bn)	34.5	34.2
2-Feb	Thursday	December	Producer Price Index (YoY%)	0.9	-0.2
		December	Tourists' overnight stays (YoY%)	7.0	0.1
3-Feb	Friday	December	Retail trade (YoY%)	7.2	10.5

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		1-Feb-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	9.5688	↑	4.63	↑	4.63	↑ 19.12
OTP Obligatiuni	RON	14.6870	↑	0.08	↑	0.08	↑ 2.56
OTP ComodisRO	RON	17.1206	↑	0.09	↑	0.09	↑ 1.36
OTP Euro Bond	EUR	12.6573	↑	0.08	↑	0.08	↑ 1.84
OTP Dollar Bond	USD	10.8591	↑	0.07	↑	0.07	↑ 2.48
OTP Premium Return	RON	11.2580	↑	0.89	↑	0.89	↑ 5.77
OTP Euro Premium Return	EUR	9.8816	↓	-0.81	↓	-0.81	↑ 1.41
OTP Global Mix	RON	10.8174	↑	0.21	↑	0.21	↑ 8.67

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