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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,492.76	↑ 0.26	↓ -0.04
BET-TR	9,255.57	↑ 0.26	↓ -0.04
BET-FI	31,265.89	↑ 0.08	↓ -0.67
BET-XT	677.96	↑ 0.21	↓ -0.24
SNG	27.2000	↓ -0.18	↓ -1.09
FP	0.8950	↑ 0.56	↑ 1.24
TLV	2.3800	↑ 0.42	↓ -0.42
SNP	0.2830	↑ 0.35	→ 0.00
BRD	11.3800	↑ 0.71	↓ -0.87

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.66	↓ -0.5	↓ -0.5
12 month	0.99	→ 0.0	↑ 2.5
3 year	1.74	↓ -4.5	↑ 6.0
5 year	2.73	↓ -5.5	↑ 14.0
10 year	3.72	↓ -8.5	↑ 15.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.9Y	RON 300 mn	
Thursday	3.0Y	RON 600 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.46	↓ -2.0	→ 0.0
3M ROBOR	0.83	↓ -1.0	↑ 3.0
6M ROBOR	1.05	→ 0.0	↑ 2.0
1Y ROBOR	1.23	→ 0.0	↑ 2.0
5Y CDS	94.94	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5243	↑ 0.10	↓ -0.12
USD/RON	4.1955	↓ -0.17	↓ -0.39
CHF/RON	4.2266	↓ -0.16	↑ 0.08
100HUF/RON	0.0146	↓ -0.16	↑ 0.86

Sources: Reuters, OTP Research

Summary

- On rising pressures, the government withdrew the highly disputed decriminalization law over the weekend, but mass demonstrations continued on Sunday too.
- The leu weakened marginally on Friday.
- Stocks markets finished in green on Friday, helped by reports, according to which banking regulation could be eased by the new Trump administration.

As a response to the rising pressures, the Grindeanu cabinet decided to withdraw last week's emergency ordinance, which would have decriminalized some graft offences. Despite the government's recent movement, hundreds of thousands demonstrated again in many cities of the country on Sunday evening, some of the protesters also demanding the cabinet's resignation.

The EUR/RON climbed marginally higher on Friday, while the CEE region's currencies moved in different directions. At the same time, Romania's leu strengthened a bit compared to the US dollar, after the much-awaited US job report brought mixed signals. The US economy generated 227,000 new jobs, exceeding market expectations, but wage growth data were less convincing.

On Friday, rising banking sector shares helped the main global stock indices to close the day in green territory. Buying interest intensified on reports that the new Trump administration intends to scale back the load of regulation on financial companies by loosening the Dodd-Frank law, which was put in place after the financial crisis, requiring among others higher capital reserves. The implementation of the easing plan may boost the profitability of the banking sector. On the back of the news as well as due to the stronger-than-expected gain in the number of new jobs, US stocks climbed higher, with the leading benchmarks gaining 0.5%-0.9%. Simultaneously, positive trading sentiment ruled European stock markets too, lifting the key indices by 0.2%-0.7%. In line with its global rivals, the BET grew as well, advancing 0.3%. Nonetheless, the individual components of the main index, showed mixed evolutions. The shares of Nuclearelectrica performed quite well (+1.7%), followed by the BRD (+0.7%) and the FP (+0.6%), but there were also four companies which fell 0.2%-0.8%, led by Transelectrica.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
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
6-Feb	Monday		no data		
7-Feb	Tuesday	February	Base rate decision (%)	1.75	1.75

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		2-Feb-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	9.5239	↑ 4.14	↑ 4.14	↑ 18.56		
OTP Obligatiuni	RON	14.6901	↑ 0.10	↑ 0.10	↑ 2.55		
OTP ComodisRO	RON	17.1211	↑ 0.09	↑ 0.09	↑ 1.36		
OTP Euro Bond	EUR	12.6590	↑ 0.09	↑ 0.09	↑ 1.84		
OTP Dollar Bond	USD	10.8627	↑ 0.10	↑ 0.10	↑ 2.52		
OTP Premium Return	RON	11.2530	↑ 0.85	↑ 0.85	↑ 5.74		
OTP Euro Premium Return	EUR	9.9058	↓ -0.57	↓ -0.57	↑ 1.58		
OTP Global Mix	RON	10.8169	↑ 0.20	↑ 0.20	↑ 8.59		

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