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# Daily Report – Romania

Date: 13.02.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,640.89	↓ -0.36	↑ 0.72
BET-TR	9,438.56	↓ -0.36	↑ 0.72
BET-FI	32,078.52	↓ -0.23	↑ 1.26
BET-XT	693.04	↓ -0.36	↑ 0.87
EL	13.6000	↓ -3.41	↓ -3.27
BRD	11.7600	↑ 0.17	↑ 1.03
TLV	2.5300	↓ -0.20	↑ 4.76
TGN	327.0000	→ 0.00	↑ 2.19
SNG	27.5500	↓ -0.54	↓ -0.54

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.60	↓ -3.0	↓ -6.0
12 month	0.94	↓ -0.5	↓ -1.5
3 year	1.67	↓ -1.0	↓ -5.0
5 year	2.63	↑ 1.0	↓ -5.5
10 year	3.57	↑ 1.0	↓ -1.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	6M	RON 800 mn	RON 800 mn
Thursday	7.2Y	RON 300 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.44	↓ -1.0	↓ -2.0
3M ROBOR	0.81	→ 0.0	↓ -3.0
6M ROBOR	1.04	↓ -1.0	↓ -2.0
1Y ROBOR	1.22	→ 0.0	→ 0.0
5Y CDS	92.70	→ 0.0	↓ -2.2

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5005	↓ -0.02	↓ -0.08
USD/RON	4.2465	↑ 0.35	↑ 1.35
CHF/RON	4.2212	↑ 0.05	↓ -0.14
100HUF/RON	0.0146	↓ -0.11	↑ 0.39

Sources: Reuters, OTP Research

**Summary**

- Last year, Romania registered the highest GDP growth rate since 2008, advancing by 4.8%.
- The current account deficit more than doubled in 2016, the provisional figures of the NBR showed.
- The deficit of the government budget may rise to 3.6% in 2017 and 3.9% in 2018, the official estimate of the European Commission revealed yesterday.
- The EUR/RON showed little variation.

Romania's GDP grew by 4.8% in 2016, according to the NIS's flash estimate, published this morning. In QoQ comparison, the country's economy added 1.3% (SA) in Q4 2016, and in annual terms it expanded by 4.7% (NSA).

Romania's current account deficit more than doubled in 2016, reaching EUR 4.1 bn, up from EUR 1.9 bn a year earlier, the National Bank of Romania revealed yesterday. Compared to the GDP, the gap stood at 2.45%, after reaching a multi-decade low of 1.21% in 2015. The deterioration was mostly the result of the widening trade deficit (EUR 9.3 bn vs. EUR 7.8 bn), as domestic-demand-fueled imports' growth outpaced that of exports. At the same time, the deficit of primary incomes (covering mostly revenues from investments and the compensation of employees) also increased significantly, to EUR 4.8 bn, up from EUR 3.7 bn. On the other hand, the surplus coming from the balance of services grew by EUR 0.8 bn, to EUR 7.6 bn, mainly helped by the IT sector. As domestic demand is set to remain strong in 2017 too, among others on the back of remarkable growth in average wages, we think that the CA deficit could widen further this year.

In December, the annual growth pace of market services rendered to enterprises slowed a bit (9.6% YoY vs. 11.2% YoY in the previous month), while wholesale trades also lost steam (2.8% YoY vs. 11.6% YoY).

The European Commission published its updated projections, foreseeing 4.4% and 3.7% economic growth for 2017 and 2018 in the case of Romania. Nevertheless, the report showed that the deficit of the government budget may rise to 3.6% this year and to 3.9% next.

The leu showed little variation compared to the euro yesterday. At the same time, the Treasury easily sold the planned RON 800 mn debt via 6M bills yesterday.

Despite the optimism seen on global equity markets, the BET fell 0.4% on Monday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
13-Feb	Monday	December	Turnover of market serv. rendered mainly to enterp. (YoY%)	9.6	11.2	
		December	Wholesale turnover index (YoY%)	2.8	11.6	
		December	CA balance (EUR mn, YTD)	-4,118	-3,441	
14-Feb	Tuesday	December	Construction works (YoY%)	-27.7	-12.7	
		Q4 2016	Flash GDP growth rate (YoY%)	4.7	4.7	4.3
15-Feb	Wednesday	January	Consumer price index (YoY%)		0.1	-0.5
16-Feb	Thursday	January	New passenger car registrations (YoY%)			6.8
17-Feb	Friday		no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		10-Feb-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	9.7366	↑ 4.13	↑ 6.47	↑ 24.39		
OTP Obligatiuni	RON	14.7065	↑ 0.11	↑ 0.22	↑ 2.63		
OTP ComodisRO	RON	17.1249	↑ 0.09	↑ 0.12	↑ 1.35		
OTP Euro Bond	EUR	12.6741	↑ 0.08	↑ 0.21	↑ 1.96		
OTP Dollar Bond	USD	10.8745	↑ 0.15	↑ 0.21	↑ 2.48		
OTP Premium Return	RON	11.3101	↑ 0.86	↑ 1.36	↑ 6.94		
OTP Euro Premium Return	EUR	10.0307	↑ 0.60	↑ 0.69	↑ 4.74		
OTP Global Mix	RON	10.9141	↑ 0.94	↑ 1.10	↑ 9.28		

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