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# Daily Report – Romania

Date: 14.02.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,609.25	↓ -0.41	↓ -0.26
BET-TR	9,399.47	↓ -0.41	↓ -0.26
BET-FI	31,956.17	↓ -0.38	↑ 0.82
BET-XT	689.98	↓ -0.44	↓ -0.09
TLV	2.5150	↓ -0.59	↑ 1.41
BRD	11.7200	↓ -0.34	↑ 0.51
FP	0.8940	↓ -0.11	↑ 0.11
SNG	27.5000	↓ -0.18	↓ -0.72
EL	13.6200	↑ 0.15	↓ -3.40

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.61	↑ 1.0	↓ -4.5
12 month	0.93	↓ -1.0	↓ -2.5
3 year	1.67	↓ -0.5	↓ -2.5
5 year	2.63	→ 0.0	↓ -5.0
10 year	3.57	→ 0.0	↓ -4.0

**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	0.45	↑ 1.0	↓ -1.0
3M ROBOR	0.81	→ 0.0	↓ -1.0
6M ROBOR	1.04	→ 0.0	↓ -1.0
1Y ROBOR	1.22	→ 0.0	→ 0.0
5Y CDS	92.70	→ 0.0	→ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5040	↑ 0.08	↑ 0.34
USD/RON	4.2585	↑ 0.28	↑ 1.37
CHF/RON	4.2315	↑ 0.25	↑ 0.49
100HUF/RON	0.0146	↑ 0.21	↑ 0.72

Sources: Reuters, OTP Research

**Summary**

- In January, the annual inflation came out from negative territory for the first time since May 2015, pointing to a 0.1% YoY increase, up from December's -0.5% YoY, as the effects of last year's 4 pps VAT cut mainly faded out.
- The EUR/RON ended a relatively calm day on Tuesday.
- The BET gave back 0.4%, dragged down primarily by OMW Petrom.

In January 2017, Romania's annual inflation returned into positive territory for the first time since May 2015, pointing to a 0.1% YoY increase, after it posted 0.5% YoY drop a month earlier. The significant increase in the headline figure was the result of fading base effects, as the impact of last year's 4-percentage-point VAT reduction mainly vanished last month.

Nevertheless, consumer prices fell by 0.2% on month-over-month comparison; primarily owing to the new one-percentage-point cut of the standard VAT rate (to 19%). Moreover, the elimination of the 7 eurocent excise duty on fuels as well as the fall in administered energy prices also contributed to January's drop, sending prices of non-food goods 0.9% lower, while the CPI of services also dipped 0.4% MoM. At the same time, food prices inched up 0.9% MoM, driven by seasonal effects and probably also by the unusually cold weather conditions in January. In this group of items, vegetables and fresh fruits showed the largest monthly increases (+5.8% MoM and +4.4% MoM respectively).

The EUR/RON finished a relatively calm session yesterday, inching marginally higher, while the other currencies of the CEE region firmed slightly. Simultaneously, the US dollar strengthened around 0.3% against the euro on the comments of Fed Chairwomen Janet Yellen, who provided an upbeat perspective for US economic developments, while the fresh Eurozone GDP statistics slightly missed expectations.

Romania's BET index shrank 0.4% yesterday, dragged down primarily by the shares of OMW Petrom (-1.2%), while European stocks closed rather mixed. At the same time, the US benchmark indices finished the day in the green zone.

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	0.1	-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		13-Feb-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	9.7197	↑	4.86	↑	6.28	↑ 24.96
OTP Obligatiuni	RON	14.7094	↑	0.14	↑	0.24	↑ 2.68
OTP ComodisRO	RON	17.1262	↑	0.09	↑	0.12	↑ 1.35
OTP Euro Bond	EUR	12.6754	↑	0.06	↑	0.22	↑ 2.00
OTP Dollar Bond	USD	10.8757	↑	0.16	↑	0.22	↑ 2.47
OTP Premium Return	RON	11.3211	↑	1.19	↑	1.46	↑ 7.30
OTP Euro Premium Return	EUR	10.0398	↑	0.91	↑	0.78	↑ 5.24
OTP Global Mix	RON	10.9361	↑	1.61	↑	1.31	↑ 9.64

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