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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,035.25	↑ 1.55	↑ 4.68
BET-TR	9,925.69	↑ 1.55	↑ 4.68
BET-FI	32,045.70	↑ 0.82	↑ 0.30
BET-XT	721.64	↑ 1.33	↑ 3.85
BRD	12.0400	↑ 2.03	↑ 2.38
SNP	0.3030	↑ 2.71	↑ 6.32
TLV	2.7350	↑ 1.30	↑ 7.25
FP	0.9170	↑ 1.78	↑ 2.00
TGN	361.0000	↑ 0.28	↑ 10.40

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.59	→ 0.0	↑ 1.0
12 month	0.95	↑ 2.5	↑ 3.0
3 year	1.66	↓ -1.5	↓ -1.5
5 year	2.62	↓ -1.0	↓ -0.5
10 year	3.61	↓ -1.0	↑ 1.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	RON 1000 mn	RON 1000 mn
Thursday	10.4Y	RON 300 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.42	→ 0.0	↓ -1.0
3M ROBOR	0.82	↓ -2.0	→ 0.0
6M ROBOR	1.06	→ 0.0	↑ 2.0
1Y ROBOR	1.24	→ 0.0	↑ 2.0
5Y CDS	92.70	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5175	↑ 0.07	↑ 0.06
USD/RON	4.2786	↓ -0.13	↑ 0.44
CHF/RON	4.2341	↓ -0.18	↓ -0.06
100HUF/RON	0.0147	↓ -0.01	↑ 0.13

Sources: Reuters, OTP Research

Summary

- The EUR/RON inched a touch higher, amid yesterday's mixed trading mood.
- Today the MoF holds a 10.4Y bond auction.
- Fresh private loan and deposit statistics are due out today.
- On Wednesday, the BVB's indices soared on good volumes.

Wednesday's trading was characterized by mixed sentiment, with numerous investors waiting for the publication of the Fed's minutes about the latest monetary policy meeting. Before the commentary was revealed, the EUR/USD dipped somewhat lower, but at the end of the day the pair stood at higher levels. According to the minutes, decision makers wish to raise interest rates "fairly soon", but they also suggested that the fiscal policies of the new Trump administration cause uncertainties. Amid the mixed trading mood, the leu together with its peers in the CEE region softened a bit compared to the common European currency.

The Ministry of Finance holds an auction today, in order to borrow RON 300 mn via 10.4Y bonds.

Today, the National Bank of Romania will reveal important monetary figures, including non-government loans and deposits data for January 2017. We recall that private credit expanded by 1.2% in 2016, fuelled by a surge in RON loans (especially in the case of households). This happened despite the uncertainties coming from the regulatory environment, the efforts of commercial banks to clean up their balance sheets, as well as several loan conversions in the system. Admittedly, some uncertainties still prevail and non-performing loan sales may continue to weigh on the evolution of private credit, first of all in the case of corporate ones. Nevertheless, this year's perspective seems to be more favourable, as the pressure coming from these factors could ease, while the macroeconomic outlook remains bright too. Therefore, we expect that the growth rate of non-government loans may pick up steam this year.

Yesterday the BVB's indices continued to rally on high turnover. On the back of the optimism, the BET surged almost 1.6%, as all of its ten components ended in the green.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
20-Feb	Monday		no data		
21-Feb	Tuesday		no data		
22-Feb	Wednesday		no data		
23-Feb	Thursday	January	New commercial vehicle registrations (YoY%)	-14.9	11.2
		January	M3 (broad money, YoY%)		9.7
		January	Non-government loans (YoY%)		1.2
		January	Non-government deposits (YoY%)		8.2
24-Feb	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		21-Feb-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	9.8529	↑ 5.47	↑ 7.74	↑ 24.34		
OTP Obligatiuni	RON	14.7173	↑ 0.17	↑ 0.29	↑ 2.71		
OTP ComodisRO	RON	17.1304	↑ 0.09	↑ 0.15	↑ 1.34		
OTP Euro Bond	EUR	12.6800	↑ 0.12	↑ 0.26	↑ 2.04		
OTP Dollar Bond	USD	10.8831	↑ 0.25	↑ 0.29	↑ 2.48		
OTP Premium Return	RON	11.4040	↑ 1.82	↑ 2.20	↑ 7.39		
OTP Euro Premium Return	EUR	10.0832	↑ 1.61	↑ 1.21	↑ 5.59		
OTP Global Mix	RON	11.0790	↑ 3.06	↑ 2.63	↑ 10.84		

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