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# Daily Report – Romania

Date: 01.03.2017

## STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,037.45	↑ 0.85	↑ 0.03
BET-TR	9,928.42	↑ 0.85	↑ 0.03
BET-FI	32,007.20	↑ 0.46	↓ -0.12
BET-XT	721.75	↑ 0.78	↑ 0.02
TLV	2.7500	↑ 1.85	↑ 0.55
TGN	361.0000	↓ -0.28	→ 0.00
FP	0.9130	↑ 0.33	↓ -0.44
OIL	0.1745	↑ 14.80	↑ 19.93
BRD	11.9000	↓ -0.67	↓ -1.16

## GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.59	→ 0.0	→ 0.0
12 month	0.96	↑ 0.5	↑ 0.5
3 year	1.66	↑ 1.5	→ 0.0
5 year	2.63	↑ 1.5	↑ 0.5
10 year	3.64	↑ 1.5	↑ 3.5

## GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

## MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.49	→ 0.0	↑ 7.0
3M ROBOR	0.80	↓ -2.0	↓ -2.0
6M ROBOR	1.06	↑ 1.0	→ 0.0
1Y ROBOR	1.24	→ 0.0	→ 0.0
5Y CDS	92.70	→ 0.0	→ 0.0

## FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5246	↑ 0.02	↑ 0.16
USD/RON	4.2897	↑ 0.31	↑ 0.26
CHF/RON	4.2517	↓ 0.00	↑ 0.42
100HUF/RON	0.0147	↑ 0.25	↑ 0.29

Sources: Reuters, OTP Research

## Summary

- Romania's unemployment rate eased to levels unseen since 2008.
- Industrial producer prices got further steam in January, posting a 2.6% YoY increase, after December's 0.9% YoY growth.
- The leu was little changed yesterday, ending the session near 4.52.
- Optimism, fortified also by the speech of Mr Trump, supported stocks' soaring; the BET also closed in positive territory.

Romania's unemployment rate continued its downward trajectory in January too, decreasing by 0.1 percentage point, to 5.4% (SA, provisional data). We recall that this level is practically in line with the record lows seen in 2008, highlighting the swiftly tightening trend of the labour market.

Industrial producer prices were on the rise, January's statistics of the NIS showed this morning. In month-over-month comparison, the index added 1.0%, helping it to post a 2.6% YoY increase, up from 0.9% YoY a month earlier. The main reason behind the gain was the rise of commodity prices.

Enthusiasm ruled yesterday's trading on global markets, after investors welcomed the speech of US President Donald Trump, who confirmed his economic plans in a joint session of Congress, including the USD 1 trillion investments in infrastructure. Optimism was strong, despite the fact that the President did not provide specifics on the fiscal stimulus. Simultaneously, the US dollar firmed against the euro, lifting the pair to around 1.055 at the end of the session, as the comments of a key Fed official added to the growing expectations about a potential interest-rate hike in March. On the domestic front, the leu showed limited movements, marginally weakening against the euro, after it firmed a bit in the morning hours. At the same time, Poland's zloty and the Hungarian forint showed stronger performances, appreciating compared to the common European currency.

On Wednesday, government securities' yields mostly inched higher, more or less tracking global trends.

Indeed to a lesser extent, but the global enthusiasm was felt in Bucharest too, helping the key stock indices to go up. Accordingly, the BET gained almost 0.9%, led by the shares of OMW Petrom (2.7%) and Banca Transilvania (1.9%). In Western Europe, the main benchmarks soared 1.6%-2.1%, while their US peers rallied 1.4%-1.5%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
27-Feb	Monday	February	Economic Sentiment Indicator	104.0	105.0
		February	Consumer Confidence Indicator	-13.8	-13.0
28-Feb	Tuesday	January	Licenses for residential buildings (YoY%)	9.2	-12.3
1-Mar	Wednesday	February	FX Reserves (EUR bn)	34.5	34.5
2-Mar	Thursday	January	ILO unemployment rate (% , seasonally adjusted)	5.4	5.5
		January	Tourists' overnight stays (YoY%)	8.5	7.0
		January	Producer Price Index (YoY%)	2.6	0.9
3-Mar	Friday	January	Retail trade (YoY%)		7.2

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		28-Feb-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	9.7814	↑	2.32	↑	6.96	↑ 21.72
OTP Obligatiuni	RON	14.7272	↑	0.25	↑	0.36	↑ 2.77
OTP ComodisRO	RON	17.1337	↑	0.09	↑	0.17	↑ 1.34
OTP Euro Bond	EUR	12.6864	↑	0.19	↑	0.31	↑ 2.03
OTP Dollar Bond	USD	10.8982	↑	0.36	↑	0.43	↑ 2.53
OTP Premium Return	RON	11.3808	↑	1.21	↑	1.99	↑ 6.77
OTP Euro Premium Return	EUR	9.9846	↑	0.68	↑	0.22	↑ 4.38
OTP Global Mix	RON	11.0026	↑	1.74	↑	1.92	↑ 9.55

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