

Date: 16.03.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,923.82	↓ -0.36	↑ 0.68
BET-TR	9,896.21	↓ -0.36	↑ 0.68
BET-FI	32,151.14	↑ 0.72	↑ 2.81
BET-XT	715.76	↓ -0.18	↑ 1.15
TLV	2.7150	↓ -1.99	↓ -1.63
FP	0.8790	↑ 0.46	↑ 0.34
TGN	356.0000	↓ -1.39	↓ -0.28
SNP	0.3020	↓ -0.98	↑ 2.03
BRD	12.0600	↑ 1.01	↑ 3.08

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.62	↑ 1.0	↑ 2.0
12 month	0.96	→ 0.0	↓ -2.0
3 year	1.66	↓ -2.0	↓ -4.0
5 year	2.97	↓ -2.5	↓ -4.0
10 year	4.01	↓ -4.0	↓ -7.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	7.1Y	RON 300 mn	RON 0 mn
Thursday	6M	RON 600 mn	RON 1,427.4 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.41	→ 0.0	↓ -5.0
3M ROBOR	0.84	→ 0.0	↑ 2.0
6M ROBOR	1.08	→ 0.0	↑ 2.0
1Y ROBOR	1.26	→ 0.0	↑ 2.0
5Y CDS	92.25	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5569	↑ 0.12	↑ 0.20
USD/RON	4.2325	↑ 0.04	↓ -1.58
CHF/RON	4.2457	↑ 0.31	↓ -0.07
100HUF/RON	0.0147	↑ 0.36	↑ 0.83

Sources: Reuters, OTP Research

Summary

- Romania's current account balance showed EUR 0.4 bn surplus in January, pointing to a healthy start of the year; however, the details painted a less bright picture.
- The leu modestly weakened against the euro, despite the supportive global trading sentiment.
- Yesterday the Treasury borrowed RON 600 mn amid healthy demand.
- The BET underperformed its Western European rivals.

In January, Romania's current account balance pointed to EUR 416 mn surplus, the provisional data of the NBR showed yesterday. This level indicates a healthy start at the beginning of 2017, as the surplus was at EUR 211 mn in the same period of the previous year. However, it is important to mention that the details paint a less bright picture, as January's favourable development was entirely due to primary incomes. The balance of primary incomes (which mainly covers investment income and compensation of employees but includes several other items too, like EU subsidies) registered a significant improvement, reaching EUR 399 mn surplus vs. 115 mn deficit a year earlier. It should be also added that this component of the CA is relatively volatile, and gains could be reversed relatively quickly, first of all due to intercompany flows. The other main elements of the current account showed a softer picture, with barely increasing services' surplus, while the trade gap widened. In conclusion, we maintain our view regarding 2017's CA balance, expecting gradually increasing deficit (for further details please read our latest [balance of payments report](#)). We also recall that the CA gap is comfortably covered by EU funds and foreign direct investment flows, therefore Romania's external position seems to be sustainable.

The Fed's less hawkish comments as well as the outcome of the Dutch elections set the tone of yesterday's global trading mood. With the exception of the leu, the CEE region's currencies were able to firm against the euro on Thursday. The EUR/RON inched somewhat higher, despite the favourable sentiment, most likely backed by commercial flows.

Yesterday's government security auction was characterized by strengthened buying interest, with dealers subscribing for almost RON 1.43 bn. Amid the healthy demand, the Treasury easily sold the planned amount of RON 600 mn on 0.71% average yield.

European stock indices soared yesterday, but Bucharest's BET underperformed its peers, recording 0.4% drop. In the USA, the leading equity benchmarks were little changed.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
14-Mar	Tuesday	January	Turnover of market serv. provided to the population (YoY%)	4.7	0.6
15-Mar	Wednesday	January	Turnover of market serv. rendered mainly to enterp. (YoY%)	7.3	9.3
		January	Wholesale turnover index (YoY%)	4.2	2.8
		January	Construction works (YoY%)	-1.3	-27.7
16-Mar	Thursday	January	CA balance (EUR mn, YTD)	416.0	-4,118
		February	New passenger car registrations (YoY%)	62.8	21.7
17-Mar	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		15-Mar-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	9.8751	↑ 1.29	↑ 7.98	↑ 21.20		
OTP Obligatiuni	RON	14.7242	↑ 0.10	↑ 0.34	↑ 2.57		
OTP ComodisRO	RON	17.1441	↑ 0.10	↑ 0.23	↑ 1.32		
OTP Euro Bond	EUR	12.6727	↓ -0.01	↑ 0.20	↑ 1.71		
OTP Dollar Bond	USD	10.8944	↑ 0.16	↑ 0.40	↑ 2.36		
OTP Premium Return	RON	11.4001	↑ 0.40	↑ 2.17	↑ 6.45		
OTP Euro Premium Return	EUR	9.8715	↓ -1.94	↓ -0.91	↑ 2.69		
OTP Global Mix	RON	11.0826	↑ 0.73	↑ 2.66	↑ 10.18		

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