

Date: 31.03.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,069.34	↑ 0.63	↑ 1.11
BET-TR	10,077.45	↑ 0.63	↑ 1.11
BET-FI	31,925.86	↑ 0.37	↑ 0.02
BET-XT	726.94	↑ 0.58	↑ 0.95
SNG	30.5000	↑ 1.84	↑ 5.54
FP	0.8880	↑ 1.02	↑ 1.49
TGN	379.0000	↑ 1.61	↑ 1.34
TEL	33.0000	↑ 3.13	↑ 3.13
SNN	6.7000	↑ 3.08	↑ 7.37

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.62	↑ 0.5	↔ 0.0
12 month	0.91	↑ 0.5	↓ -2.0
3 year	1.58	↔ 0.0	↓ -2.5
5 year	2.88	↑ 1.0	↓ -3.0
10 year	3.86	↓ -1.5	↓ -5.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	14.5Y	RON 200 mn	
Thursday	7.1Y	RON 300 mn	
Thursday	12M	RON 800 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.57	↑ 5.0	↑ 12.0
3M ROBOR	0.86	↑ 1.0	↑ 2.0
6M ROBOR	1.07	↔ 0.0	↓ -1.0
1Y ROBOR	1.25	↔ 0.0	↓ -1.0
5Y CDS	93.15	↔ 0.0	↔ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5539	↑ 0.04	↑ 0.06
USD/RON	4.2752	↑ 0.25	↑ 1.44
CHF/RON	4.2624	↑ 0.07	↑ 0.28
100HUF/RON	0.0148	↑ 0.04	↑ 0.66

Sources: Reuters, OTP Research

Summary

- The EUR/RON brought little excitement on Friday.
- The ROBOR 3M climbed one basis point higher, to 0.86%.
- This week the NBR's monetary policy meeting could be in the spotlight.
- On Friday the BET finished in the green, gaining 0.6%.

The EUR/RON did not bring too much excitement on Friday, as the pair was traded in a tight range and finished the session at 4.55, less than 0.1% higher on daily basis. Meanwhile, the Polish zloty weakened and the Hungarian forint firmed marginally against the common European currency.

At the same time, the reference yields on the benchmark government securities registered subtle movements and interbank interest rates changed mixed, with the ROBOR 3M inching up by one basis point, to 0.86%.

This week will be rich in macroeconomic data releases. On the external front, US non-farm payroll data for March could come into the focus of investors on Friday, while in Romania, the central bank's monetary policy meeting will be in the spotlight on Wednesday. We recall that the IMF staff, which visited Bucharest on 8-17 March, recommended to the NBR to remain vigilant amid rising inflation pressures and to consider tightening measures. The IMF also noted that under unchanged policies, inflation is set to exceed the upper end of the central bank's target (2.5% +/- 1%) in the middle of 2018. In our opinion, normalising actions might come starting from the second half of this year, by narrowing the interest rate corridor as the first step (for further details please read our latest [MPC report](#)).

On Friday, the key Romanian equity indices performed well, with the BET going up 0.6%. The advance most likely was supported also by government actions aiming to achieve higher dividends from partially state-owned companies. It may also worth mentioning that following significant fiscal easing measures, the budget deficit may exceed the 3% objective this year, putting pressure on policy makers to find additional sources.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
30-Mar	Thursday	February	Licenses for residential buildings (YoY%)	-5.7	9.2
		March	Economic Sentiment Indicator	105.4	104.0
		March	Consumer Confidence Indicator	-10.4	-13.8
31-Mar	Friday	no data			
3-Apr	Monday	February	Producer Price Index (YoY%)		2.6
		February	ILO unemployment rate (% , seasonally adjusted)		5.4
		February	Tourists' overnight stays (YoY%)		8.5

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		30-Mar-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.0554	↑ 2.80	↑ 9.96	↑ 22.84		
OTP Obligatiuni	RON	14.7418	↑ 0.11	↑ 0.46	↑ 2.54		
OTP ComodisRO	RON	17.1540	↑ 0.10	↑ 0.29	↑ 1.32		
OTP Euro Bond	EUR	12.6762	↓ -0.08	↑ 0.23	↑ 1.58		
OTP Dollar Bond	USD	10.9058	↑ 0.07	↑ 0.50	↑ 2.21		
OTP Premium Return	RON	11.4454	↑ 0.43	↑ 2.57	↑ 6.53		
OTP Euro Premium Return	EUR	9.9035	↓ -0.56	↓ -0.59	↑ 2.97		
OTP Global Mix	RON	11.0970	↑ 0.27	↑ 2.80	↑ 10.39		

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