

Date: 10.04.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,214.81	↑ 0.07	↑ 0.73
BET-TR	10,259.12	↑ 0.07	↑ 0.73
BET-FI	31,835.53	↓ -0.26	↓ -0.64
BET-XT	737.27	↑ 0.00	↑ 0.61
TLV	2.7650	↑ 0.73	↑ 1.65
FP	0.8970	↓ -0.11	↓ -0.88
SNG	30.7500	↑ 0.82	↑ 0.82
SNP	0.3145	↓ -0.63	↑ 3.28
COTE	116.0000	↑ 2.65	↑ 2.65

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.61	↑ 1.0	↓ -0.5
12 month	0.89	→ 0.0	↓ -2.0
3 year	1.55	↓ -1.0	↓ -2.5
5 year	2.81	↓ -1.5	↓ -6.0
10 year	3.79	↓ -3.0	↓ -5.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.9Y	RON 600 mn	RON 600 mn
Thursday	4.9Y	RON 600 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.46	→ 0.0	↓ -7.0
3M ROBOR	0.87	↑ 1.0	↑ 1.0
6M ROBOR	1.10	↑ 3.0	↑ 2.0
1Y ROBOR	1.27	↑ 1.0	↑ 2.0
5Y CDS	93.15	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5098	↓ -0.25	↓ -0.84
USD/RON	4.2583	↓ -0.21	↓ -0.10
CHF/RON	4.2226	↓ -0.13	↓ -0.76
100HUF/RON	0.0145	↓ -0.54	↓ -1.59

Sources: Reuters, OTP Research

Summary

- Romania's annual inflation was flat at 0.2% in March, slightly undershooting the market expectation (0.3%); primarily, decelerating fuel inflation pulled back the headline figure.
- In February, industrial production increased by 4.9% YoY, the NIS said this morning.
- New orders in manufacturing accelerated in February, pointing to 9.8% annual gain.
- Yesterday the leu continued to firm against the euro, bucking the trends seen in the CEE region.

In March, Romania's headline inflation was flat at 0.2% YoY, matching our call and slightly undershooting the market consensus (Reuters survey 0.3% YoY). The fresh data was in line with the NBR's forecast as well. In month-over-month terms, consumer prices increased by 0.1%, after registering a 0.1% drop in February.

The relatively subdued dynamic of the annual inflation was first of all due to fuel prices, after they slipped by 1.0% MoM, as crude oil futures also decreased in March. In addition, negative base effects weighed on the annual gain of fuels' CPI as well, after the prices at petrol pumps showed a strong rebound in the same period of the previous year. As a result, fuel inflation slowed to 1.8% YoY last month, down from February's 4.1% YoY. On the other hand, services CPI got a boost from the weaker leu, posting a 0.3% MoM increase, while food prices also rose 0.2% MoM primarily on the back of volatile unprocessed foods. It may be worth mentioning that in March, the EUR/RON hit multi-year highs, with spillover effects on exchange rate sensitive items, like telephone charges and car accessories. Headline inflation is expected to follow an increasing trajectory in the coming quarters, supported by rising unit labour costs and healthy domestic demand.

Industrial production expanded by 0.6% MoM (seasonally and working day adjusted data), while in annual comparison output increased 4.9% (gross data), the National Institute of Statistics said this morning. At the same time, the evolution of new orders in manufacturing pointed to a favourable perspective, as the growth rate of new orders accelerated in February, registering 9.8% YoY advance, up from January's 8.5% gain.

Yesterday the leu bucked the trends seen in the CEE region, and continued to gain ground against the common European currency, with the pair closing the session near 4.51.

The BET was little changed on Monday, broadly in line with its global peers. Trading on global equity markets was quite cautious yesterday as geopolitical concerns prevailed.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
10-Apr	Monday	February	Exports (FOB, YoY%)	5.4	13.6	
		February	Imports (CIF, YoY%)	5.5	17.5	
11-Apr	Tuesday	March	Consumer price index (YoY%)	0.2	0.3	0.2
		February	Index value of new orders in manufacturing (YoY%)	9.8	8.5	
		February	Industrial trade turnover index (YoY%)	7.5	10.1	
		February	Industrial production (YoY%)	4.9	6.0	

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		7-Apr-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.1318	↑ 3.25	↑ 10.79	↑ 23.39		
OTP Obligatiuni	RON	14.7546	↑ 0.17	↑ 0.54	↑ 2.51		
OTP ComodisRO	RON	17.1580	↑ 0.11	↑ 0.31	↑ 1.32		
OTP Euro Bond	EUR	12.6866	↓ -0.01	↑ 0.31	↑ 1.55		
OTP Dollar Bond	USD	10.9139	↑ 0.11	↑ 0.58	↑ 2.17		
OTP Premium Return	RON	11.4448	↑ 0.38	↑ 2.57	↑ 6.40		
OTP Euro Premium Return	EUR	9.9818	↑ 0.98	↑ 0.20	↑ 3.57		
OTP Global Mix	RON	11.0999	↑ 0.31	↑ 2.82	↑ 10.04		

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