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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,217.83	↑ 0.22	↑ 0.20
BET-TR	10,262.89	↑ 0.22	↑ 0.20
BET-FI	31,499.57	↓ -0.40	↓ -1.15
BET-XT	736.52	↑ 0.18	↑ 0.01
TLV	2.7650	↓ -0.36	↑ 1.84
FP	0.8920	↓ -0.45	↓ -1.00
SNG	30.7500	↑ 0.33	↑ 0.49
SNP	0.3180	↑ 1.76	↑ 1.11
COTE	114.5000	↓ -0.43	↑ 0.44

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.63	→ 0.0	↑ 1.0
12 month	0.90	↑ 0.5	↓ -1.0
3 year	1.54	↓ -0.5	↓ -3.5
5 year	2.80	↑ 1.5	↓ -4.5
10 year	3.80	↑ 1.5	↓ -3.0

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	0.44	↓ -1.0	↓ -2.0
3M ROBOR	0.85	↓ -1.0	↓ -1.0
6M ROBOR	1.07	↓ -1.0	↑ 1.0
1Y ROBOR	1.26	→ 0.0	↑ 1.0
5Y CDS	94.49	→ 0.0	↑ 1.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5174	↑ 0.08	↓ -0.28
USD/RON	4.2355	↓ -0.49	↓ -0.27
CHF/RON	4.2216	↓ -0.08	↓ -0.11
100HUF/RON	0.0145	↓ -0.03	↓ -0.80

Sources: Reuters, OTP Research

Summary

- Market services performed quite well in February, fresh turnover indices signalled.
- Wholesale trades lost some steam in the second month of the year.
- In February, the annual growth rate of construction works remained in negative territory (-3.4% YoY), dragged down by the segments of civil engineering as well as non-residential buildings.
- Amid geopolitical concerns, the leu weakened compared to the euro yesterday.

In February, the turnover index of market services provided to the population grew by 4.3% YoY (gross data) and registered a strong 1.6% gain in month-over-month comparison (seasonally and working day adjusted data), the NIS revealed yesterday. Accommodation and food services activities, the largest component of the main indicator added 2.0% MoM, signaling healthy underlying dynamics.

After a rather weak start in January, market services rendered mainly to enterprises bounced back in February, pointing to a strong 2.9% MoM advance (SWDA), while on annual basis the growth rate of the turnover index accelerated to 10.3% (gross data). The strong performance was primarily due to the IT&C sector (10.7% MoM) and transport activities (5.3% MoM), but it is important to mention that the February's revival was broad-based, with the majority of the sub-sectors pointing to increases.

At the same time, wholesale trades practically stagnated in February (-0.1% MoM, SWDA), pulled back by the segment of agricultural raw materials and livestock (-10.7% MoM). On year-over-year comparison, wholesale trades increased by 0.6%, down from 5.0% in January (gross data).

This morning the NIS published fresh statistics about the construction sector too. According to the report, construction works remained in negative territory in February, registering 3.4% YoY fall (gross data), despite the large surge in the residential segment (+70% YoY). Activity in civil engineering and non-residential buildings was subdued, recording 19.3% YoY and 16.4% YoY declines.

Geopolitical concerns continued to prevail, with negative spillover effects on the currencies of the CEE region. The leu was not an exception, and accordingly it weakened around 0.1% against the euro yesterday. The BET index slightly increased.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
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	February	Industrial trade turnover index (YoY%)	7.5		10.1
		February	Industrial production (YoY%)	4.9		6.0
12-Apr	Wednesday	February	Turnover of market serv. provided to the population (YoY%)	4.3		7.0
13-Apr	Thursday	February	Turnover of market serv. rendered mainly to enterp. (YoY%)	10.3		7.6
		February	Wholesale turnover index (YoY%)	0.6		5.0
	February	February	Construction works (YoY%)	-3.4		-0.4
		February	CA balance (EUR mn, YTD)			416
14-Apr	Friday		no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		11-Apr-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.0991	↑ 2.53	↑ 10.43	↑ 23.06		
OTP Obligatiuni	RON	14.7564	↑ 0.25	↑ 0.56	↑ 2.50		
OTP ComodisRO	RON	17.1600	↑ 0.11	↑ 0.32	↑ 1.31		
OTP Euro Bond	EUR	12.6865	↑ 0.09	↑ 0.31	↑ 1.54		
OTP Dollar Bond	USD	10.9156	↑ 0.19	↑ 0.59	↑ 2.18		
OTP Premium Return	RON	11.4518	↑ 0.47	↑ 2.63	↑ 6.40		
OTP Euro Premium Return	EUR	9.9920	↑ 1.63	↑ 0.30	↑ 3.65		
OTP Global Mix	RON	11.0948	↑ 0.11	↑ 2.78	↑ 9.95		

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