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Daily Report – Romania

Date: 28.04.2017(FX data as of 01.05.2017)

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,230.46	↑ 0.56	↓ -0.03
BET-TR	10,278.68	↑ 0.56	↓ -0.03
BET-FI	31,604.40	↑ 0.51	↑ 0.38
BET-XT	737.40	↑ 0.50	↓ -0.09
FP	0.9000	↑ 0.78	↑ 0.67
BRD	12.0400	↓ -0.99	↓ -2.90
TLV	2.7600	↑ 1.28	↑ 1.47
SNP	0.3220	↑ 1.26	→ 0.00
EL	14.2000	↓ -1.80	↓ -2.07

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.65	→ 0.0	↑ 3.0
12 month	0.91	→ 0.0	↑ 2.0
3 year	1.57	↓ -0.5	↑ 4.0
5 year	2.80	↓ -1.0	↑ 4.0
10 year	3.83	→ 0.0	↑ 8.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	7Y	RON 400 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.72	↑ 9.0	↑ 21.0
3M ROBOR	0.89	→ 0.0	↑ 2.0
6M ROBOR	1.11	↑ 1.0	↑ 4.0
1Y ROBOR	1.29	↑ 1.0	↑ 3.0
5Y CDS	94.49	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5367	→ 0.00	↑ 0.15
USD/RON	4.1635	↑ 0.01	↓ -0.11
CHF/RON	4.1908	↑ 0.16	↑ 0.13
100HUF/RON	0.0145	↑ 0.37	↑ 0.02

Sources: Reuters, OTP Research

Summary

- Romania's unemployment rate hit another record low, reaching 5.3% in March.
- Producer prices increased by 0.3% MoM and 3.9% YoY in the third month of the year.
- The NBR will hold its monetary policy meeting on Friday; the new inflation report will be discussed as well.

In March, Romania's unemployment rate decreased to 5.3%, according to the provisional data of the National Institute of Statistics released this morning. A month earlier, the indicator stood at 5.4%. It may be worth mentioning that the data for March is below the levels seen in 2008, suggesting that the labour market became fairly tight in the latest period, which induces more difficulties to employers in finding well prepared workforce. In addition, the decreasing trend of the unemployment rate was coupled with rapid wage hikes, potentially putting pressures on companies' profitability as well as on the country's competitiveness indicators.

Producer prices went up by 0.3% MoM in March, the NIS also said this morning. In annual comparison, prices added 3.9% YoY, similarly to February. The monthly gain was primarily driven by prices for the non-domestic market (0.6% MoM), while in the case of the domestic market the index grew by 0.1% MoM.

Today the NBR will reveal FX-reserve statistics, while the most important event of the week probably will be the monetary policy meeting of the central bank, planned for Friday. The members of the NBR Board will discuss the new inflation report too. We expect that the policy rate could be left unchanged again, however it should be noted that the new public wage bill of the government may result in additional upside pressures on the medium-term inflation outlook. On the external front, the Fed's rate setting meeting could come into focus as well as the second round of the French presidential elections.

On Monday, several European markets were closed on account of Labour Day, while US stocks mostly inched higher, led by technology shares. On last Friday, the BET increased by 0.6%, despite the rather gloomy sentiment in Europe.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
2-May	Tuesday	March	ILO unemployment rate (% , seasonally adjusted)	5.3	5.4	
		March			Producer Price Index (YoY%)	3.9
		April			FX Reserves (EUR bn)	34.7
3-May	Wednesday	March	Tourists' overnight stays (YoY%)		4.3	
4-May	Thursday	March	Retail trade (YoY%)		4.8	
5-May	Friday		Base rate decision (%)		1.75	

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		27-Apr-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.2089	↑ 2.04	↑ 11.63	↑ 27.69		
OTP Obligatiuni	RON	14.7644	↑ 0.19	↑ 0.61	↑ 2.50		
OTP ComodisRO	RON	17.1684	↑ 0.10	↑ 0.37	↑ 1.30		
OTP Euro Bond	EUR	12.6929	↑ 0.15	↑ 0.36	↑ 1.56		
OTP Dollar Bond	USD	10.9165	↑ 0.10	↑ 0.60	↑ 2.06		
OTP Premium Return	RON	11.4906	↑ 0.62	↑ 2.98	↑ 7.63		
OTP Euro Premium Return	EUR	9.8334	↓ -0.28	↓ -1.29	↑ 1.95		
OTP Global Mix	RON	11.1370	↑ 0.80	↑ 3.17	↑ 11.36		

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