

## Headquarter Treasury Sales

**Alexandru Tibuleac**

0372 31 85 85

alexandru.tibuleac@otpbank.ro

**Ionut Constandache**

0372 31 85 86

ionut.constandache@otpbank.ro

**Corina Bejan**

0372 31 85 84

corina.bejan@otpbank.ro

**Andreea Nica**

0755 000 106

andreea.nica@otpbank.ro

## Regional Treasury Sales

**Szilamer Kozma - Cluj**

0755 000 400

szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**

0755 000 199

tudor.zaman@otpbank.ro

**Alexandru Sabin - Arad**

0730 577 959

alexandru.sabin@otpbank.ro



# Daily Report – Romania

Date: 12.05.2017

**STOCK EXCHANGE**

|        | Close     | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET    | 8,407.67  | ↑ 0.51         | ↑ 1.31          |
| BET-TR | 10,565.81 | ↑ 0.50         | ↑ 1.95          |
| BET-FI | 32,396.05 | ↑ 0.83         | ↑ 2.50          |
| BET-XT | 756.09    | ↑ 0.64         | ↑ 1.72          |
| SNG    | 32.0000   | ↑ 1.27         | ↑ 3.56          |
| FP     | 0.8990    | ↑ 0.33         | ↑ 0.45          |
| TGN    | 406.0000  | ↑ 1.75         | ↑ 6.01          |
| TLV    | 2.7550    | ↓ -0.54        | ↓ -0.36         |
| BRD    | 12.3800   | ↓ -0.32        | ↓ -4.03         |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 0.61      | ↓ -1.0          | ↓ -4.0           |
| 12 month | 0.88      | → 0.0           | ↓ -3.0           |
| 3 year   | 1.48      | ↓ -2.5          | ↓ -9.0           |
| 5 year   | 2.70      | ↓ -3.0          | ↓ -10.0          |
| 10 year  | 3.79      | ↓ -6.0          | ↓ -6.5           |

**GOV'T BOND AUCTIONS**

|          | Maturity | Auctions   | Sold |
|----------|----------|------------|------|
| Monday   | 10.2Y    | RON 300 mn |      |
| Thursday | 2.8Y     | RON 500 mn |      |

**MONEY MARKET**

|          | Rate (%/bp) | Daily chg (bp) | Weekly chg (bp) |
|----------|-------------|----------------|-----------------|
| ON ROBOR | 0.50        | ↑ 1.0          | ↓ -5.0          |
| 3M ROBOR | 0.87        | → 0.0          | ↓ -4.0          |
| 6M ROBOR | 1.08        | → 0.0          | ↓ -5.0          |
| 1Y ROBOR | 1.25        | → 0.0          | ↓ -5.0          |
| 5Y CDS   | 94.49       | ↑ 0.0          | → 0.0           |

**FX MARKET**

|            | Rate   | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON    | 4.5470 | ↓ -0.01        | ↓ -0.09         |
| USD/RON    | 4.1593 | ↓ -0.66        | ↑ 0.51          |
| CHF/RON    | 4.1555 | ↑ 0.03         | ↓ -0.86         |
| 100HUF/RON | 0.0147 | ↑ 0.10         | ↑ 0.48          |

Sources: Reuters, OTP Research

**Summary**

- Both wholesale trade and market services performed well in March, providing reason for optimism ahead of the Q1 GDP data set to be released tomorrow morning.
- The leu strengthened compared to the US dollar on Friday, after the EUR/USD inched higher.
- Government securities' yields eased by two basis points on average.
- On Friday, the BET surged 0.5%, helped by the nice gains of Conpet (+3.2%) and Medlife (+3.1%).

This morning, the National Institute of Statistics revealed wholesale trade and market services turnover data for March. Both reports gave reason for optimism ahead of the Q1 flash GDP statistics to be published on Tuesday morning. Wholesale trades went up sharply (+4.6% MoM, seasonally and working day adjusted data) in March, while in annual terms it pointed to 11.3% advance (gross data), up from February's 1.4% YoY gain. Simultaneously, the turnover index of market services mainly rendered to enterprises grew by 2.5% MoM (SWDA) and surged by 18.5% YoY (gross data). Among the main components of the overall index, the largest gain was registered by the segment of information technology, posting 23.8% YoY advance. We recall that the IT sector became a key driver of Romania's economic growth in the past few years. The fresh statistics support our expectation of a healthy performance of the economy in the first quarter of 2017.

Today the NBR will also publish balance of payments data for March.

On Friday, the greenback weakened around 0.6% compared to the euro, after US retail sales and fresh core inflation data were slightly below expectations. As a result, the pair ended the day above the 1.09 mark. Due to this movement, as well as on the back of the stable EUR/RON, the leu was also able to register a gain versus the US dollar. Other currencies of the CEE region mostly firmed even compared to the euro, helped also by favourable trading sentiment.

The yields on the benchmark maturities mostly eased on Friday, decreasing by two basis points on average.

The main European stock indices closed in the green, recording 0.4%-0.7% increases on the last session of the week. The optimism was felt in Bucharest too, helping the BET to go up by 0.5%. Among the individual components of the BET, the newcomers Conpet (+3.2%) as well as MedLife (+3.1%) were the top performers. These two companies entered the key index, BET in March. In the USA, the main equity benchmarks showed small changes.

| Date   | PERIOD    | INDICATOR | FACT                                   | CONSENSUS | PREVIOUS                                                   |      |
|--------|-----------|-----------|----------------------------------------|-----------|------------------------------------------------------------|------|
| 15-May | Monday    | March     | Wholesale turnover index (YoY%)        |           | 0.6                                                        |      |
|        |           | March     |                                        |           | Turnover of market serv. rendered mainly to enterp. (YoY%) | 10.3 |
|        |           | March     |                                        |           | CA balance (EUR mn, YTD)                                   | 0.0  |
| 16-May | Tuesday   | Q1 2017   | Flash GDP growth rate (YoY%)           | 4.4       | 4.8                                                        |      |
|        |           | April     | New passenger car registrations (YoY%) |           | 0.0                                                        |      |
| 17-May | Wednesday |           | no data                                |           |                                                            |      |
| 18-May | Thursday  |           | no data                                |           |                                                            |      |
| 19-May | Friday    |           | no data                                |           |                                                            |      |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds |     | 11-May-17  |         |         |         |  |  |
|---------------------------|-----|------------|---------|---------|---------|--|--|
| Investment funds          | ccy | last NAV/U | 1m%     | Ytd%    | 52W%    |  |  |
| OTP AvantisRO             | RON | 10.4306    | ↑ 3.28  | ↑ 14.06 | ↑ 32.66 |  |  |
| OTP Obligatiuni           | RON | 14.7797    | ↑ 0.16  | ↑ 0.72  | ↑ 2.52  |  |  |
| OTP ComodisRO             | RON | 17.1759    | ↑ 0.09  | ↑ 0.42  | ↑ 1.25  |  |  |
| OTP Euro Bond             | EUR | 12.7013    | ↑ 0.12  | ↑ 0.43  | ↑ 1.58  |  |  |
| OTP Dollar Bond           | USD | 10.9241    | ↑ 0.08  | ↑ 0.67  | ↑ 1.96  |  |  |
| OTP Premium Return        | RON | 11.5830    | ↑ 1.15  | ↑ 3.81  | ↑ 8.84  |  |  |
| OTP Euro Premium Return   | EUR | 9.8803     | ↓ -1.12 | ↓ -0.82 | ↑ 2.49  |  |  |
| OTP Global Mix            | RON | 11.2814    | ↑ 1.68  | ↑ 4.51  | ↑ 12.86 |  |  |

**Chief Economist**

**Gergely Tardos**

+36 1 3747273

[tardosg@otpbank.hu](mailto:tardosg@otpbank.hu)

**Analyst**

**Csaba Bálint**

+4021 3075896

[csaba.balint@otpbank.ro](mailto:csaba.balint@otpbank.ro)

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