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Daily Report – Romania

Date: 19.06.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,412.25	↓ -0.65	↓ -0.46
BET-TR	10,845.97	↓ -0.65	↓ -0.43
BET-FI	33,437.54	↓ -0.44	↑ 1.24
BET-XT	762.57	↓ -0.60	↓ -0.21
FP	0.8710	↓ -1.14	↑ 0.35
SNG	32.3500	↓ -0.46	↓ -2.56
BRD	13.9400	↑ 0.29	↑ 4.50
TLV	2.7950	↑ 0.72	→ 0.00
TGN	440.0000	↓ -2.44	↓ -0.90

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.50	↓ -4.5	↓ -5.5
12 month	0.76	↓ -0.5	→ 0.0
3 year	1.33	↓ -0.5	↓ -2.5
5 year	2.47	↓ -0.5	↑ 0.0
10 year	3.70	↑ 1.0	↑ 2.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.9Y	RON 500 mn	RON 611.7 mn
Thursday	1.7Y	RON 800 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.43	↓ -1.0	↓ -4.0
3M ROBOR	0.83	↑ 1.0	↑ 1.0
6M ROBOR	1.01	→ 0.0	→ 0.0
1Y ROBOR	1.18	→ 0.0	↓ -1.0
5Y CDS	94.48	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5953	↑ 0.25	↑ 0.75
USD/RON	4.1219	↑ 0.62	↑ 1.24
CHF/RON	4.2251	↑ 0.51	↑ 0.55
100HUF/RON	0.0149	↑ 0.06	↑ 0.55

Sources: Reuters, OTP Research

Summary

- The EUR/RON went up on Monday, getting closer to 4.6.
- Yesterday the MoF sold bonds in value of RON 611.7 mn, above the planned amount of RON 500 mn.
- The optimism seen on global equity markets was not able to boost the BET; Romanian stocks mostly finished yesterday's session in negative territory.

After taking a breather on Friday, the EUR/RON inched again higher yesterday. Beside the continuation of the political skirmishes, the trends seen in the CEE region also weighed on the leu. First of all, the Polish zloty but to a lesser extent the Hungarian HUF also weakened modestly against the euro on Monday. Meanwhile, the US dollar firmed compared to the common European currency, after Fed officials argued against slowing the pace of interest-rate hikes.

On Monday, the Ministry of Finance held an auction in order to borrow RON 500 mn via 6.9Y bonds. Commercial banks submitted bids in value of RON 1,047.7 mn, sending the bid-to-cover ratio slightly above 2x. Seeing the healthy demand, debt managers decided to sell bonds in value of RON 611.7 mn. The average accepted yield stood at 3.22%, significantly lower than at the previous auction with the same ISIN at the beginning of May (3.46%).

Global stock markets fared well on the first trading session of the week, with the leading US indices marching 0.7%-1.4% higher. The good performance was primarily due to a rebound in technology shares, after some weakness in the past two weeks. Simultaneously, European stocks got a boost from the outcome of the French elections, after President Macron's centrist En Marche party won strong majority in the National Assembly. Nonetheless, the positive trading mood on global equity markets was not reflected in Bucharest. Accordingly, the BET shrank 0.7% as the majority of the index's components finished the day in negative territory.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
19-Jun	Monday		no data		
20-Jun	Tuesday		no data		
21-Jun	Wednesday		no data		
22-Jun	Thursday		no data		
23-Jun	Friday	May	New commercial vehicle registrations (YoY%)		-10.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		16-Jun-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.7090	↑	1.58	↑	17.10	↑ 32.48
OTP Obligatiuni	RON	14.8338	↑	0.30	↑	1.08	↑ 2.79
OTP ComodisRO	RON	17.2125	↑	0.20	↑	0.63	↑ 1.33
OTP Euro Bond	EUR	12.7456	↑	0.31	↑	0.78	↑ 1.97
OTP Dollar Bond	USD	10.9510	↑	0.20	↑	0.92	↑ 2.06
OTP Premium Return	RON	11.6011	↑	0.00	↑	3.97	↑ 8.01
OTP Euro Premium Return	EUR	9.8146	↓	-0.56	↓	-1.48	↑ 2.03
OTP Global Mix	RON	11.3286	↑	0.25	↑	4.94	↑ 11.78

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