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# Daily Report – Romania

Date: 22.06.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,336.85	↓ -0.45	↓ -0.83
BET-TR	10,747.48	↓ -0.45	↓ -0.82
BET-FI	33,220.26	↓ -0.81	↓ -0.35
BET-XT	755.60	↓ -0.49	↓ -0.85
BRD	14.0600	↑ 0.43	↑ 3.38
TGN	445.0000	→ 0.00	→ 0.00
SNG	32.2500	↓ -0.46	↓ -0.92
TLV	2.7850	↓ -0.54	↑ 0.72
COTE	129.0000	→ 0.00	↓ -2.27

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.49	→ 0.0	↓ -5.5
12 month	0.76	→ 0.0	↓ -0.5
3 year	1.32	↑ 0.5	↓ -1.5
5 year	2.46	↓ -0.5	↑ 0.5
10 year	3.71	→ 0.0	↑ 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	RON 800 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.48	↑ 3.0	↑ 4.0
3M ROBOR	0.83	↑ 1.0	↑ 1.0
6M ROBOR	1.02	→ 0.0	↑ 1.0
1Y ROBOR	1.19	↑ 1.0	→ 0.0
5Y CDS	94.48	→ 0.0	→ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5769	↓ -0.45	↓ -0.18
USD/RON	4.1039	↓ -0.33	↓ -0.23
CHF/RON	4.2232	↓ -0.25	↑ 0.14
100HUF/RON	0.0148	↓ -0.45	↓ -0.54

Sources: Reuters, OTP Research

**Summary**

- On Thursday, the leu firmed significantly on hopes that the political turmoil may be solved soon.
- The MoF's foreign currency puffer was at EUR 6.3 bn, a fresh report of the ministry showed.
- Yesterday the Treasury sold easily the planned amount of RON 800 mn in 1.7Y bonds.
- New commercial vehicle registration soared in May (+25.8% YoY).

Yesterday the leu strengthened significantly, almost 0.5% compared to the euro, bolstered by hopes that the political crisis may be solved soon. On Thursday, President Iohannis indicated that early elections were unwanted and he invited political parties to consultations in order to designate the new prime minister. The meetings will take place on Monday, so the new PM may be appointed already next week.

The Ministry of Finance published the 2018-2019 debt management strategy yesterday. According to the report, Romania may tap foreign markets with bonds worth EUR 4 bn in 2018 and EUR 3.5 bn in 2019. Gross funding needs are estimated at RON 62.6 bn next year and RON 60.4 bn in 2019, down from 2017's 63.9 bn, the paper showed too. The MoF also noted that its foreign currency puffer is about EUR 6.3 bn, limiting the risk of refinancing. Nonetheless, it is important to mention that the estimations were based on very optimistic GDP growth assumptions. The Ministry of Finance expects that Romania's economy may advance 5.2% this year, and it will even accelerate to 5.5% in 2018 and to 5.7% in 2019.

On Thursday, the Treasury sold 1.7Y papers in value of RON 800 mn amid healthy demand (dealers subscribed for RON 1.76 bn). The average accepted yield was at 1.18%, significantly lower than at the similar auction at the end of May (1.36%).

New commercial vehicle registrations surged by 25.8% YoY in May, after a 10.4% YoY fall in April, the statistics of the ACEA (European Automobile Manufacturers Association) revealed this morning. The strong rebound in May reconfirms our view that April's setback was rather transitory, driven primarily by Easter effects.

The BET index fell 0.5% yesterday, led by the drop of OMW Petrom shares (-1.5%).

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%)	25.8	-10.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		21-Jun-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.6762	↑ 1.24	↑ 16.74	↑ 30.84		
OTP Obligatiuni	RON	14.8395	↑ 0.35	↑ 1.12	↑ 2.71		
OTP ComodisRO	RON	17.2149	↑ 0.20	↑ 0.64	↑ 1.32		
OTP Euro Bond	EUR	12.7491	↑ 0.36	↑ 0.80	↑ 1.90		
OTP Dollar Bond	USD	10.9508	↑ 0.23	↑ 0.92	↑ 1.91		
OTP Premium Return	RON	11.6197	↑ 0.39	↑ 4.14	↑ 8.09		
OTP Euro Premium Return	EUR	9.8201	↑ 0.06	↓ -1.43	↑ 2.02		
OTP Global Mix	RON	11.3596	↑ 0.95	↑ 5.23	↑ 11.77		

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