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Daily Report – Romania

Date: 23.06.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,347.55	↑ 0.13	↓ -1.42
BET-TR	10,761.20	↑ 0.13	↓ -1.43
BET-FI	33,385.64	↑ 0.50	↓ -0.59
BET-XT	757.12	↑ 0.20	↓ -1.31
BRD	14.1400	↑ 0.57	↑ 1.73
TGN	446.0000	↑ 0.22	↓ -1.11
TLV	2.7750	↓ -0.36	→ 0.00
FP	0.8720	↑ 0.23	↓ -1.02
SIF2	0.9980	↑ 1.94	↓ -0.20

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.49	→ 0.0	↓ -5.0
12 month	0.77	↑ 0.5	→ 0.0
3 year	1.31	↓ -1.0	↓ -2.5
5 year	2.46	→ 0.0	↓ -1.0
10 year	3.70	↓ -1.0	↑ 0.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	4.7Y	RON 700 mn	
Tuesday	3.7Y	EUR 100 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.47	↓ -1.0	↑ 3.0
3M ROBOR	0.83	→ 0.0	↑ 1.0
6M ROBOR	1.02	→ 0.0	↑ 1.0
1Y ROBOR	1.19	→ 0.0	↑ 1.0
5Y CDS	94.48	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5680	↓ -0.19	↓ -0.34
USD/RON	4.0880	↓ -0.39	↓ -0.21
CHF/RON	4.2128	↓ -0.25	↑ 0.22
100HUF/RON	0.0148	↓ -0.14	↓ -0.86

Sources: Reuters, OTP Research

Summary

- This afternoon President Iohannis holds consultations with political parties to designate a new Prime Minister.
- The NBR will reveal non-government loan and deposit statistics today.
- The Treasury aims to borrow RON 700 mn via 4.7Y bonds.
- On Friday the BET barely changed.

On Friday, Romania's leu firmed compared to the euro for the second session in a row, sending the pair slightly below 4.57. The leu recovered some of its earlier losses, after the no-confidence vote against the Grindeanu Cabinet passed the Parliament, and hopes for a quick solution of the political crisis strengthened, after President Klaus Iohannis had invited political parties to consultations about the nomination of a new prime minister.

Political developments will most likely remain in the spotlight this week too, as consultations over the new prime minister are planned for this afternoon. If the candidate proposed by the ruling parties will be endorsed by the President, the new government could be formed within days, helping to decrease political uncertainties.

Beside the political events, several economic data may also come into focus this week. Today the NBR will reveal non-government loan and deposit statistics for May. We note that the growth rate of private loans slightly accelerated in the first few months of 2017, reaching 3.2% YoY in April. Housing loans continued to register healthy gains, but the consumer as well as the corporate segment also showed some positive signs.

This week, government budget statistics are also expected to see the light of day, together with sentiment indicators and building permits data. May's budget statistics are set to provide additional insight into the impact of significant tax cuts and public wage hikes on the government balance, while economic sentiment and consumer confidence statistics for June may give hints whether the recent political crisis put pressure on the economy.

Today the Treasury puts up for sale bonds in value of RON 4.7 bn.

Stock markets finished Friday's session mixed, with the main European equity indices closing in negative territory. At the same time, their US peers mostly climbed higher, while in Bucharest, the BET added only 0.1%, as the shares of the BVB and Banca Transilvania both dipped.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
26-Jun	Monday	May			11.8
		May	M3 (broad money, YoY%)		3.2
		May	Non-government loans (YoY%)		10.2
27-Jun	Tuesday		no data		
28-Jun	Wednesday		no data		
29-Jun	Thursday	June	Economic Sentiment Indicator		105.9
		June	Consumer Confidence Indicator		-14.5
30-Jun	Friday	May	Licenses for residential buildings (YoY%)		-11.0

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		22-Jun-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.6358	↑ 0.14	↑	16.30	↑	30.10
OTP Obligatiuni	RON	14.8398	↑ 0.32	↑	1.13	↑	2.69
OTP ComodisRO	RON	17.2152	↑ 0.19	↑	0.64	↑	1.32
OTP Euro Bond	EUR	12.7496	↑ 0.35	↑	0.81	↑	1.88
OTP Dollar Bond	USD	10.9501	↑ 0.20	↑	0.91	↑	1.89
OTP Premium Return	RON	11.6200	↑ 0.26	↑	4.14	↑	8.09
OTP Euro Premium Return	EUR	9.8295	↑ 0.02	↓	-1.33	↑	2.03
OTP Global Mix	RON	11.3588	↑ 0.78	↑	5.22	↑	11.86

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