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Daily Report – Romania

Date: 27.06.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,237.58	↓ -1.32	↓ -2.08
BET-TR	10,704.34	↓ -0.53	↓ -1.31
BET-FI	33,453.99	↑ 0.20	↑ 0.05
BET-XT	748.30	↓ -1.16	↓ -1.87
SIF2	0.9980	→ 0.00	↑ 0.30
TGN	388.0000	↓ -13.00	↓ -11.82
FP	0.8690	↓ -0.34	↓ -0.23
TLV	2.7500	↓ -0.90	↓ -1.61
SNG	32.1000	↓ -0.77	↓ -0.77

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.49	↓ -0.5	↓ -1.0
12 month	0.76	↓ -1.0	↓ -0.5
3 year	1.31	→ 0.0	↓ -2.0
5 year	2.45	↓ -1.5	↓ -2.0
10 year	3.68	↓ -2.0	↓ -2.5

GOV'T BOND AUCTIONS

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

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.54	↑ 7.0	↑ 11.0
3M ROBOR	0.84	↑ 1.0	↑ 1.0
6M ROBOR	1.04	↑ 2.0	↑ 3.0
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	4.5761	↑ 0.18	↓ -0.42
USD/RON	4.0923	↑ 0.10	↓ -0.72
CHF/RON	4.2086	↓ -0.10	↓ -0.39
100HUF/RON	0.0148	↑ 0.08	↓ -0.84

Sources: Reuters, OTP Research

Summary

- After the appointment of the new prime minister, the leu strengthened against the euro yesterday, despite the gloomy trading sentiment on global financial markets.
- The MoF sold EUR 100 mn debt via 3.7Y bonds, as planned.
- Similarly to its main Western European peers, the BET closed in the red yesterday.

The news about the appointment of the new prime minister fuelled hopes for a quick solution of the political turmoil, supporting the leu yesterday. As a result, Romania's leu gained almost 0.3% versus the euro, bucking the trends seen in the CEE region. Poland's zloty, similarly to the Czech crown and the Hungarian forint lost between 0.1% and 0.8% compared to the shared European currency yesterday. It may be worth mentioning that the euro made healthy gains not only versus the CEE region's currencies, but against the US dollar as well. This came after ECB President Mario Draghi made several comments about the monetary policy outlook, which were viewed by investors as being less dovish than earlier. Accordingly, the EUR/USD climbed above 1.13, hitting the highest level since the middle of 2016.

Today developments on Romania's political scene may remain in the focus, as negotiations about the forming new government continue.

On Tuesday, the Ministry of Finance sold EUR 100 mn debt in 3.7Y bonds, as planned. Buying interest was healthy, with commercial banks subscribing for EUR 262.2 mn. The average accepted yield was at 0.36%.

In Europe, trading mood was quite gloomy, with the key indices finishing the day in negative territory. The appreciation of the euro also weighed on the sentiment. The exporter-heavy DAX index, fell the most (-0.8%), but Paris' CAC40 benchmark decreased by 0.7% as well. Meanwhile, pessimism ruled US equity markets too. Amid the unsupportive trading sentiment, the BET gave up 1.3% yesterday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
26-Jun	Monday	May	M3 (broad money, YoY%)	10.5	11.8
		May	Non-government loans (YoY%)	3.2	3.2
		May	Non-government deposits (YoY%)	9.1	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		26-Jun-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.6095	↓ -1.27	↑	16.01	↑	33.25
OTP Obligatiuni	RON	14.8456	↑ 0.29	↑	1.16	↑	2.87
OTP ComodisRO	RON	17.2168	↑ 0.18	↑	0.65	↑	1.33
OTP Euro Bond	EUR	12.7518	↑ 0.29	↑	0.82	↑	2.01
OTP Dollar Bond	USD	10.9529	↑ 0.19	↑	0.94	↑	2.04
OTP Premium Return	RON	11.6014	↓ -0.02	↑	3.97	↑	8.44
OTP Euro Premium Return	EUR	9.8353	↑ 0.15	↓ -1.27		↑	2.06
OTP Global Mix	RON	11.3388	↑ 0.37	↑	5.04	↑	12.78

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