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Daily Report – Romania

Date: 04.07.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,928.67	↑ 0.92	↓ -3.36
BET-TR	10,454.57	↑ 2.23	↓ -1.94
BET-FI	33,040.52	↑ 1.33	↓ -0.32
BET-XT	721.57	↑ 0.88	↓ -3.11
SNG	27.2000	↓ -11.97	↓ -14.73
FP	0.8560	↑ 1.90	↓ -0.47
TLV	2.7300	↑ 2.25	↓ -1.09
BRD	13.7200	↑ 2.24	↓ -3.65
TGN	373.0000	↑ 4.78	↓ -1.84

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.52	↑ 1.0	↑ 3.0
12 month	0.82	↑ 1.5	↑ 6.5
3 year	1.38	↑ 2.5	↑ 10.5
5 year	2.62	↑ 4.0	↑ 20.5
10 year	3.97	↑ 7.0	↑ 33.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.5Y	RON 500 mn	RON 496 mn
Tuesday	10.1Y	RON 300 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.56	↓ -3.0	↑ 2.0
3M ROBOR	0.86	↓ -1.0	↑ 2.0
6M ROBOR	1.02	↑ 1.0	→ 0.0
1Y ROBOR	1.19	→ 0.0	→ 0.0
5Y CDS	94.48	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5845	↑ 0.25	↑ 0.44
USD/RON	4.0407	↑ 0.42	↑ 0.41
CHF/RON	4.1855	↑ 0.23	↓ -0.14
100HUF/RON	0.0149	↑ 0.55	↑ 1.12

Sources: Reuters, OTP Research

Summary

- Retail trade accelerated significantly in May, posting 14% annual gain.
- In May, industrial producer prices increased by 3.3% YoY.
- The leu continued to lose ground compared to the euro yesterday.
- Romanian stock posted nice gains on Tuesday.

In May, retail trade posted its strongest monthly advance for years, increasing by 4.3% MoM (seasonally and working day adjusted data), a report of the National Institute of Statistics showed this morning. In year-over-year comparison, sales surged by 14.0% (gross data). This strong performance came after a disappointing evolution a month earlier. In April, the growth rate of retail trade registered a significant slowdown, increasing by only 4.7% YoY. As we noted previously, April's setback most likely was due to a relatively strong Easter effect, and did not reflect a significant slowdown. The fresh data revealed this morning supports this view. Moreover, it also suggests that consumption could have remained on an upward trend in Q2 as well, after Q1's sharp revival.

The industrial producer price index (PPI) decreased slightly in May, pointing to a 0.1% MoM drop, after the PPI in the case of oil related sectors went down. It is important to note that excluding these sectors, which are highly influenced by the evolution of oil quotes at global level, prices mostly climbed higher. The PPI for food products, an important driver of consumer prices, increased by 0.9% MoM in May, lifting the annual growth rate to 5.1%, up from 4.4% a month earlier. In annual terms, the overall index rose by 3.3%, following April's 3.8% advance.

Romania's leu continued to lose ground compared to the euro yesterday, giving up almost 0.3%, while the other currencies of the CEE region mostly firmed.

Stocks on the BVB had a good day yesterday, with the leading index, the BET marching 0.9% higher. Ten out of 13 components of the index registered gains above 1%, while the shares of Romgaz fell 12.0%, as it was traded ex-dividend. The rebound came after plans to dismantle the second pillar of the pensions system were denied by high-ranking political leaders.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
3-Jul	Monday	May	Tourists' overnight stays (YoY%)	0.2	7.9
		May	ILO unemployment rate (% , seasonally adjusted)	5.4	5.3
	July	Base rate decision (%)		1.75	1.75
		June	FX Reserves (EUR bn)		
4-Jul	Tuesday	May	Producer Price Index (YoY%)	3.3	3.8
5-Jul	Wednesday	May	Retail trade (YoY%)	14.0	4.7
6-Jul	Thursday		no data		
7-Jul	Friday	Q1 2017	Detailed GDP growth rate (YoY%, provisional data 2)		5.7
		May	Net wage growth rate (YoY%)		13.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		3-Jul-17					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	10.3159	↓ -4.98	↑	12.80	↑	26.20
OTP Obligatiuni	RON	14.8207	↑ 0.03	↑	0.99	↑	2.40
OTP ComodisRO	RON	17.2201	↑ 0.09	↑	0.67	↑	1.32
OTP Euro Bond	EUR	12.7218	↓ -0.05	↑	0.59	↑	1.51
OTP Dollar Bond	USD	10.9428	↑ 0.01	↑	0.84	↑	1.70
OTP Premium Return	RON	11.5239	↓ -1.02	↑	3.28	↑	6.87
OTP Euro Premium Return	EUR	9.7635	↓ -0.75	↓	-1.99	↑	0.70
OTP Global Mix	RON	11.1965	↓ -1.45	↑	3.72	↑	10.35

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