

Date: 05.07.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,142.40	↑ 2.70	↓ -0.32
BET-TR	10,736.13	↑ 2.69	↑ 1.15
BET-FI	33,349.49	↑ 0.94	↑ 0.75
BET-XT	738.62	↑ 2.36	↓ -0.45
TLV	2.8450	↑ 4.21	↑ 3.83
BRD	14.0000	↑ 2.04	↓ -1.27
DIGI	39.9000	→ 0.00	→ 0.00
SNG	27.4000	↑ 0.74	↓ -13.56
FP	0.8740	↑ 2.10	↑ 1.98

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.52	↑ 0.0	↑ 2.5
12 month	0.83	↑ 1.0	↑ 6.0
3 year	1.38	↓ -0.5	↑ 9.0
5 year	2.63	↑ 0.5	↑ 15.5
10 year	3.95	↓ -1.5	↑ 23.5

GOV'T BOND AUCTIONS

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

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.55	↓ -1.0	↓ -2.0
3M ROBOR	0.86	→ 0.0	→ 0.0
6M ROBOR	1.02	→ 0.0	↓ -1.0
1Y ROBOR	1.19	→ 0.0	↓ -2.0
5Y CDS	94.48	→ 0.0	→ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5897	↑ 0.11	↑ 0.88
USD/RON	4.0427	↑ 0.05	↑ 1.09
CHF/RON	4.1940	↑ 0.20	↑ 0.64
100HUF/RON	0.0149	↓ -0.15	↑ 0.98

Sources: Reuters, OTP Research

Summary

- The EUR/RON inched higher, ending the day at around 4.59 yesterday.
- Today the MoF plans to borrow RON 300 mn.
- Romanian stocks soared yesterday.

Yesterday the EUR/RON climbed slightly higher, ending the day near 4.59. This was the third consecutive session when the Romanian currency lost ground compared to the euro. In the CEE region, the monetary policy meeting of the Polish central bank came into focus. In line with expectations, policy makers kept the key interest rate on hold, while the governor signalled that a hike before 2019 was unlikely. It may be worth mentioning that according to NBR chief Mr Isarescu, the Romanian central bank keeps track of the movements made by its peers, in order to mitigate potential appreciation pressures on the leu.

Today the Ministry of Finance puts up for sale RON 300 mn in 10Y bonds.

The benchmark yields on Romanian government securities showed small changes yesterday, while the ROBOR interest rates were mostly flat.

In Bucharest, the stock market soared on Wednesday, with the BET rising 2.7%. Last week, Romanian shares were hit by the news about a potential dismantle of the pension system's second pillar as well as the proposal to replace the flat 16% corporate tax with a progressive tax on companies' turnover. However, the plans related to changes in the pension system were denied later by high-ranking officials, while it seems that the tax plans could undergo several modifications too.

European as well as US stocks ended yesterday's trading session mostly in the green zone, despite the fall of oil prices.

Tomorrow the updated Q1 GDP estimation will see the light of day. In addition, the National Institute of Statistics will also publish wage data for May.

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	June	Base rate decision (%)		1.75	1.75
		June	FX Reserves (EUR bn)			35.5
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		4-Jul-17					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	10.4779	↓ -3.49	↑	14.58	↑	27.03
OTP Obligatiuni	RON	14.8200	↑ 0.03	↑	0.99	↑	2.34
OTP ComodisRO	RON	17.2206	↑ 0.09	↑	0.68	↑	1.31
OTP Euro Bond	EUR	12.7223	↓ -0.05	↑	0.59	↑	1.47
OTP Dollar Bond	USD	10.9438	↑ 0.02	↑	0.85	↑	1.67
OTP Premium Return	RON	11.5363	↓ -0.92	↑	3.39	↑	6.67
OTP Euro Premium Return	EUR	9.7684	↓ -0.70	↓	-1.95	↑	0.75
OTP Global Mix	RON	11.2172	↓ -1.27	↑	3.91	↑	10.35

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