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# Daily Report – Romania

Date: 06.07.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,079.23	↓ -0.78	↑ 2.85
BET-TR	10,651.90	↓ -0.78	↑ 4.17
BET-FI	33,316.63	↓ -0.10	↑ 3.12
BET-XT	733.91	↓ -0.64	↑ 2.70
FP	0.8700	↓ -0.46	↑ 5.71
DIGI	39.8000	↓ -0.25	↑ 2.31
SNG	26.9500	↓ -1.64	↓ -12.07
TLV	2.8150	↓ -1.05	↑ 3.87
COTE	105.5000	↓ -0.47	↑ 15.17

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.53	↑ 1.0	↑ 3.5
12 month	0.83	↑ 0.5	↑ 6.0
3 year	1.37	↓ -1.0	↑ 6.5
5 year	2.62	↓ -1.0	↑ 9.0
10 year	3.97	↑ 1.5	↑ 19.0

**GOV'T BOND AUCTIONS**

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

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.55	⇒ 0.0	↓ -4.0
3M ROBOR	0.86	⇒ 0.0	⇒ 0.0
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	4.5915	↑ 0.04	↑ 0.48
USD/RON	4.0188	↓ -0.59	↑ 0.63
CHF/RON	4.1844	↓ -0.23	↑ 0.07
100HUF/RON	0.0149	↑ 0.27	↑ 0.96

Sources: Reuters, OTP Research

**Summary**

- Romania's statistical office confirmed Q1 GDP growth at 1.7% QoQ and 5.7% YoY.
- Average net wages posted 14.5% YoY gain in May, up from 13.4% YoY in April.
- Yesterday the EUR/RON moved sideways, ending the day practically flat.

Romania's economy grew by 1.7% QoQ (seasonally and working day adjusted data) in the first quarter of 2017, while in annual comparison, GDP growth stood at 5.7% (gross data), the second detailed estimation of the National Institute of Statistics showed. The growth paces were in line with the data presented a month earlier. Indeed, the details showed some small differences versus the first estimation, but the overall picture remained unchanged: households' consumption boosted GDP advance in Q1, while on the production side, market services as well as industry registered the largest contributions to the annual growth.

Average net wages accelerated in May, pointing to 14.5% YoY advance, up from 13.4% YoY a month earlier, the NIS said this morning. The higher growth rate was mostly due to the manufacturing sector, with net wages adding 14.6% YoY, versus April's 10.8% YoY gain. The rapid surge in net wages suggests that households' consumption may have remained strong in the second quarter of the year too. We recall that households' expenditures grew by 7.4% YoY in Q1 2017, posting one of the highest growth rates since the outburst of the financial crisis.

Yesterday the leu was traded in a tight range compared to the euro, with the pair closing the day basically flat, near 4.59. This came after the leu weakened for three consecutive days, most likely also on the uncertainties about the outlook of fiscal policies. Simultaneously, other currencies of the CEE region moved in mixed directions. Nonetheless, the leu was able to appreciate compared to the US dollar, after the EUR/USD climbed higher. The greenback came under pressure, as concerns about a soft US job report have intensified, as ADP's statistics showed that the economy created only 153,000 new jobs, missing the expectations. ADP's data are seen by many as a precursor for the official job report published by US Bureau of Labor Statistics (BLS). The non-farm private payroll report of the BLS will be revealed today.

Amid healthy demand, the Treasury sold the planned RON 300 mn in 10Y government bonds, after dealers subscribed for RON 1.071,2 mn. The average accepted yield stood at 3.97%. At the same time, the BET closed in negative territory (-0.8%), similarly to its global peers.

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	5.7
		May	Net wage growth rate (YoY%)	14.5	13.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		5-Jul-17					
Investment funds	ccy	last NAV/U	1m%		Ytd%	52W%	
OTP AvantisRO	RON	10.6428	↓ -1.97	↑	16.38	↑	29.18
OTP Obligatiuni	RON	14.8177	↑ 0.01	↑	0.97	↑	2.28
OTP ComodisRO	RON	17.2210	↑ 0.09	↑	0.68	↑	1.31
OTP Euro Bond	EUR	12.7186	↓ -0.08	↑	0.56	↑	1.40
OTP Dollar Bond	USD	10.9417	↑ 0.00	↑	0.83	↑	1.61
OTP Premium Return	RON	11.5449	↓ -0.84	↑	3.47	↑	6.54
OTP Euro Premium Return	EUR	9.7604	↓ -0.78	↓	-2.03	↑	0.56
OTP Global Mix	RON	11.2403	↓ -1.06	↑	4.13	↑	10.79

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