



Date: 12.07.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,171.96	↑ 0.17	↑ 0.36
BET-TR	10,773.75	↑ 0.18	↑ 0.35
BET-FI	33,372.69	↓ -0.15	↑ 0.07
BET-XT	741.44	↑ 0.19	↑ 0.38
SNG	27.3000	↑ 0.37	↓ -0.36
TLV	2.9000	↓ -0.34	↑ 1.93
DIGI	39.4000	↓ -0.76	↓ -1.25
FP	0.8680	↓ -0.23	↓ -0.69
SNP	0.3060	↑ 1.66	↑ 0.49

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.55	↓ -1.0	↑ 3.0
12 month	0.82	↓ -1.5	↓ -1.0
3 year	1.33	↓ -1.0	↓ -4.5
5 year	2.57	→ 0.0	↓ -6.0
10 year	3.85	↓ -4.0	↓ -10.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	6.8Y	RON 500 mn	RON 500 mn
Thursday	1.6Y	RON 700 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.51	↓ -4.0	↓ -4.0
3M ROBOR	0.88	↑ 1.0	↑ 2.0
6M ROBOR	1.03	→ 0.0	↑ 1.0
1Y ROBOR	1.20	→ 0.0	↑ 1.0
5Y CDS	94.48	→ 0.0	→ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5632	↓ -0.20	↓ -0.58
USD/RON	3.9985	↑ 0.32	↓ -1.09
CHF/RON	4.1462	↑ 0.25	↓ -1.14
100HUF/RON	0.0149	↑ 0.08	↑ 0.06

Sources: Reuters, OTP Research

**Summary**

- After April's slack, the economy provided evidence of a strong rebound in May, with industrial output surging 17% YoY.
- The turnover index of market services provided to population surged by 15.5% YoY in May.
- Construction works fell 16.7% YoY, despite the 48% annual advance of the residential segment.
- Romania's leu firmed yesterday.

Overall, the latest data released by the National Institute of Statistics painted a bright picture about the Romania's economic position in May, after a rather disappointing performance in April. As we noted earlier too, April's slowdown was likely due to a bit unusual seasonal effects on the back of Easter holidays. Nevertheless, the economy provided evidence of a strong rebound in the fifth month of the year, with industrial production registering 17.3% growth in output on annual basis, after April's 0.6% YoY drop. The acceleration was broad-based, with manufacturing recording the largest advance (+18.6% YoY).

Simultaneously, the turnover index of market services provided to the population also signalled a robust performance in May, pointing to 15.5% YoY growth, following the 12.1% annual expansion a month earlier. The acceleration came on the back of a boost in accommodation and food service activities (+16.1% YoY).

The report about the evolution of construction works was the weakest link in the bunch of fresh economic statistics released by the NIS. In May, the index of construction works fell by 16.7% YoY, up from -19.3% YoY in the previous month. It is important to add that the residential segment continued its stellar growth (+48.3% YoY), but this was more than offset by the collapse seen in other sub-sectors, primarily at civil engineering works. We recall that amid a swiftly increasing government budget deficit, public investments fell sharply in the latest period, dragging down civil engineering works.

Romania's leu firmed 0.2% compared to the euro yesterday, in line with other currencies of the CEE region. The leu's appreciation may have stemmed from high-ranking officials' comments, which signalled that the government may be open to make compromises before implementing plans on tax changes.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
11-Jul	Tuesday	May	Industrial trade turnover index (YoY%)	18.5		1.6
		May	Index value of new orders in manufacturing (YoY%)	24.6		4.8
		June	Consumer price index (YoY%)	0.9	0.9	0.6
12-Jul	Wednesday	May	Industrial production (YoY%)	17.3		-0.6
13-Jul	Thursday	May	Turnover of market serv. provided to the population (YoY%)	15.5		12.1
		May	Construction works (YoY%)	-16.7		-19.3
14-Jul	Friday	May	Wholesale turnover index (YoY%)			2.1
		May	Turnover of market serv. rendered mainly to enterp. (YoY%)			10.6
		June	New passenger car registrations (YoY%)			27.1
		May	CA balance (EUR mn, YTD)			-1,416

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		11-Jul-17					
Investment funds	ccy	last NAV/U	1m%		Ytd%	52W%	
OTP AvantisRO	RON	10.6623	↓ -1.27	↑	16.59	↑	27.60
OTP Obligatiuni	RON	14.8134	↓ -0.10	↑	0.95	↑	2.07
OTP ComodisRO	RON	17.2236	↑ 0.08	↑	0.69	↑	1.30
OTP Euro Bond	EUR	12.7054	↓ -0.30	↑	0.46	↑	1.13
OTP Dollar Bond	USD	10.9406	↓ -0.07	↑	0.82	↑	1.42
OTP Premium Return	RON	11.5208	↓ -0.83	↑	3.25	↑	6.01
OTP Euro Premium Return	EUR	9.7411	↓ -1.28	↓	-2.22	↓	-0.49
OTP Global Mix	RON	11.2097	↓ -1.24	↑	3.84	↑	9.34

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