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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,160.99	↓ -0.13	↑ 1.01
BET-TR	10,759.04	↓ -0.14	↑ 1.01
BET-FI	33,239.95	↓ -0.40	↓ -0.23
BET-XT	740.63	↓ -0.11	↑ 0.92
TLV	2.9000	→ 0.00	↑ 3.02
FP	0.8590	↓ -1.04	↓ -1.26
BRD	14.2000	↑ 0.14	↑ 3.05
SNP	0.3080	↑ 0.65	↑ 1.32
TGN	381.0000	↓ -0.26	↓ -0.26

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.54	↓ -1.0	↑ 1.0
12 month	0.81	↓ -1.0	↓ -2.5
3 year	1.32	↓ -1.0	↓ -4.5
5 year	2.52	↓ -4.5	↓ -9.5
10 year	3.83	↓ -2.0	↓ -13.5

GOV'T BOND AUCTIONS

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

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.51	→ 0.0	↓ -4.0
3M ROBOR	0.87	↓ -1.0	↑ 1.0
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	4.5671	↑ 0.09	↓ -0.53
USD/RON	4.0063	↑ 0.19	↓ -0.31
CHF/RON	4.1424	↓ -0.09	↓ -1.00
100HUF/RON	0.0149	↑ 0.19	↓ -0.01

Sources: Reuters, OTP Research

Summary

- Further good news came out yesterday, suggesting that May was a strong month for Romania's economy; market services rendered mainly to enterprises surged by 17.7% YoY in that month.
- Wholesale trades surged by 14% YoY in May, after April's sluggish 2% advance.
- New passenger car registration jumped by 47% YoY, helped by base effects too.
- The leu slightly weakened yesterday.

Further good news came out about Romania's economy, suggesting that May was a particularly good month for businesses. The turnover index of market services rendered mainly to enterprises gained momentum in the fifth month of the year, posting 17.7% YoY expansion, up from April's 10.4% YoY advance (gross data). The revival was quite general, with transport services showing one of the largest accelerations by advancing 19.2% YoY, following the 9.3% YoY gain in April. On the other hand, the growth rate of IT services' turnover was practically flat, with a 7.4% YoY increase, following 7.5% in the previous month.

In line with the rebound of transport services, wholesale trades accelerated sharply too, pointing to 14.0% YoY surge in May, up from a subdued, 2.0% YoY rise a month earlier. The rebound was led chiefly by the wholesale of food, beverages and tobacco products (+21.6% YoY vs. +1.1% YoY in April), but the other main segments also got traction, with the exception of agricultural products.

In June, new passenger car registration increased by 47% YoY, up from +27.1% YoY a month earlier, the ACEA (European Automobile Manufacturers Association) said this morning. The annual growth rate in June was admittedly cheering, but it is important to mention that this was helped by strong base effects too, as registrations fell heavily in the same month of the previous.

After April's rather disappointing statistics, May's economic activity data released until now make us more optimistic about the perspective of Q2 GDP growth, but indeed there is little information about the developments in June. Some moderation in the last month of Q2 could be on the cards. This idea would be supported also by the potential negative effects coming from increased political uncertainties in June.

Yesterday the leu slightly weakened against the euro, but it is still 0.5% stronger on weekly basis. The Treasury sold the planned RON 700 mn debt in 1.6Y papers amid healthy demand. The BET marginally dropped on Thursday.

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
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%)	14.0	2.0
		May	Turnover of market serv. rendered mainly to enterp. (YoY%)	17.7	10.4
		June	New passenger car registrations (YoY%)	47.0	27.1
		May	CA balance (EUR mn, YTD)		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		12-Jul-17					
Investment funds	ccy	last NAV/U	1m%		Ytd%	52W%	
OTP AvantisRO	RON	10.6667	↓ -0.44	↑	16.64	↑	27.40
OTP Obligatiuni	RON	14.8191	↓ -0.09	↑	0.98	↑	2.12
OTP ComodisRO	RON	17.2243	↑ 0.08	↑	0.70	↑	1.30
OTP Euro Bond	EUR	12.7127	↓ -0.25	↑	0.52	↑	1.18
OTP Dollar Bond	USD	10.9453	↓ -0.04	↑	0.87	↑	1.46
OTP Premium Return	RON	11.5328	↓ -0.64	↑	3.36	↑	6.10
OTP Euro Premium Return	EUR	9.7730	↓ -0.73	↓	-1.90	↑	0.01
OTP Global Mix	RON	11.2534	↓ -0.57	↑	4.25	↑	9.65

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