



Date: 17.07.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,155.34	↑ 0.28	↑ 0.53
BET-TR	10,750.60	↑ 0.27	↑ 0.52
BET-FI	33,288.66	↑ 0.58	↓ -0.09
BET-XT	739.93	↑ 0.20	↑ 0.55
BRD	14.0000	↓ -1.41	↑ 2.04
FP	0.8720	↑ 2.35	↑ 0.23
TLV	2.8500	↓ -1.04	↓ -1.72
SNG	27.0000	↓ -0.55	↓ -0.92
DIGI	39.9000	↑ 0.25	↑ 2.05

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.53	↓ -0.5	↓ -1.0
12 month	0.80	↓ -1.0	↓ -3.5
3 year	1.29	↓ -2.0	↓ -7.0
5 year	2.50	↓ -0.5	↓ -11.0
10 year	3.82	↓ -1.5	↓ -13.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	7.6Y	RON 400 mn	RON 479.6 mn
Thursday	6M	RON 700 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.49	↓ -1.0	↓ -7.0
3M ROBOR	0.87	⇒ 0.0	↓ -1.0
6M ROBOR	1.03	⇒ 0.0	⇒ 0.0
1Y ROBOR	1.20	⇒ 0.0	⇒ 0.0
5Y CDS	94.48	⇒ 0.0	⇒ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5625	↓ -0.01	↓ -0.17
USD/RON	3.9749	↓ -0.09	↓ -0.84
CHF/RON	4.1284	↓ -0.04	↓ -0.57
100HUF/RON	0.0149	↓ -0.27	↑ 0.27

Sources: Reuters, OTP Research

**Summary**

- The government abandoned its plan to tax companies' turnover, Prime Minister Mr Tudose said yesterday.
- Mr Tudose stated that his cabinet would keep the government deficit near 3%.
- The EUR/RON finished the day broadly unchanged on Monday.
- Yesterday, the MoF sold more than planned in 7.6Y bonds.
- The BET gained 0.3% amid mixed global trading sentiment.

The government's proposal to replace the 16% corporate tax on profit with a new tax on companies' turnover was retracted, Prime Minister Mr Mihai Tudose revealed yesterday. This came after the idea to tax companies' turnover triggered vehement negative reactions among specialists, local and foreign investors, while President Mr Iohannis also criticized the plan. The tax could have had a significant negative impact on industries with relatively low profit margins compared to turnover, including sectors like wholesale trades, transportation, and storage. Mr Tudose also noted that tax authority had to better monitor certain company groups that had been reporting no profit for decades. Regarding the solidarity tax for top earners, Prime Minister said that the Ministry of Finance was conducted simulations in order to assess the potential effects of the plan.

It is important to mention that Mr Tudose also reiterated the cabinet's commitment to keep the government deficit near the 3% threshold. We recall that the European Commission and the IMF warned about a potential breach of the 3% deficit objective, given a series of fiscal easing measures.

The EUR/RON was traded in a relatively tight range yesterday, with the pair ending the day near 4.56. The other currencies of the CEE region also showed only modest changes compared to the euro. The EUR/USD climbed 0.1% higher yesterday.

The Ministry of Finance sold more than planned in 7.6Y bonds (RON 479.6 mn vs. RON 400 mn), after primary dealers subscribed for RON 639.6 mn. The average accepted yield stood at 3.46%.

The better-than-expected Chinese GDP figures had positive spillover effects on global equity markets, but it was not enough to lead to general optimism. The key European indices finished mixed, while the leading US benchmarks closed broadly unchanged. In Romania, the BET index was able to register 0.3% gain, driven by the advances of Electrica (+3.1%) and Fondul Proprietatea (+2.4%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
17-Jul	Monday		no data		
18-Jul	Tuesday		no data		
19-Jul	Wednesday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		14-Jul-17					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	10.6560	↓ -0.85	↑	16.52	↑	26.45
OTP Obligatiuni	RON	14.8251	↓ -0.07	↑	1.02	↑	2.11
OTP ComodisRO	RON	17.2252	↑ 0.08	↑	0.70	↑	1.30
OTP Euro Bond	EUR	12.7189	↓ -0.23	↑	0.56	↑	1.19
OTP Dollar Bond	USD	10.9501	↓ -0.02	↑	0.91	↑	1.47
OTP Premium Return	RON	11.5444	↓ -0.58	↑	3.46	↑	5.99
OTP Euro Premium Return	EUR	9.7984	↓ -0.58	↓	-1.64	↑	0.07
OTP Global Mix	RON	11.2761	↓ -0.55	↑	4.46	↑	9.58

**Chief Economist****Gergely Tardos**

+36 1 3747273

[tardosg@otpbank.hu](mailto:tardosg@otpbank.hu)**Analyst****Csaba Bálint**

+4021 3075896

[csaba.balint@otpbank.ro](mailto:csaba.balint@otpbank.ro)

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