

Date: 26.07.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,323.40	↓ -0.06	↑ 0.66
BET-TR	10,974.75	↓ -0.07	↑ 0.65
BET-FI	33,656.62	↑ 0.24	↑ 0.86
BET-XT	755.17	↓ -0.06	↑ 0.72
SIF1	1.9980	↑ 0.30	↑ 1.42
TLV	2.9350	↑ 0.51	↑ 0.86
FP	0.8730	↑ 0.23	↑ 0.34
SNG	28.4500	↑ 0.18	↑ 1.25
BRD	14.0800	↓ -0.42	↓ -0.85

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.52	↑ 1.0	↓ -0.5
12 month	0.78	⇒ 0.0	↓ -1.5
3 year	1.71	↑ 2.0	↑ 42.5
5 year	2.54	↑ 4.5	↑ 5.5
10 year	3.83	↑ 4.5	↑ 4.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	RON 1000 mn	RON 1000 mn
Monday	5.8Y	RON 700 mn	RON 700 mn
Thursday	4.6Y	RON 300 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.61	↑ 3.0	↑ 11.0
3M ROBOR	0.87	⇒ 0.0	⇒ 0.0
6M ROBOR	1.05	↑ 2.0	↑ 1.0
1Y ROBOR	1.21	↑ 1.0	↑ 1.0
5Y CDS	94.48	⇒ 0.0	⇒ 0.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5652	↑ 0.02	↓ -0.06
USD/RON	3.8913	↓ -0.70	↓ -1.89
CHF/RON	4.0925	↓ -0.52	↓ -1.41
100HUF/RON	0.0150	↑ 0.21	↑ 0.37

Sources: Reuters, OTP Research

Summary

- The Fed remained on hold, as expected; the US dollar lost some ground against the euro.
- Romania's leu inched marginally higher yesterday.
- The MoF aims to borrow RON 300 mn via a 4.6Y bond auction today.
- Interbank lending rates mostly climbed higher.
- On Wednesday, the BET slipped 0.1%, underperforming its main global peers.

Modest optimism characterized yesterday's trading on global financial markets, with investors focusing mainly on the Fed's rate-setting meeting as well as corporate earnings reports. As expected, the Federal Reserve kept the main monetary policy instruments on hold, also acknowledging a slowdown in the pace of inflation, while decision-makers noted in their statement that the balance sheet normalization programme was expected to begin relatively soon. Following the policy update, the US dollar finished the day weaker compared to the common European currency.

In the CEE region, news about Poland remained in the spotlight, after the European Commission indicated that it would start legal actions against the proposed modifications in the judiciary system, as they could affect the independence of judges. The developments put some temporary pressure on the Polish zloty but Poland's currency was able to end the session stronger compared to the euro. At the same time, Romania's leu showed small changes against Europe's shared currency, finishing the day marginally higher.

Today the Treasury plans to borrow RON 300 mn via 4.6Y bonds. The Ministry of Finance is also expected to reveal the domestic debt issuance calendar for August.

Government securities' yields mostly moved up, the NBR's fixing statistics showed on Wednesday. The largest increase (5 basis points) was registered at the long end. Simultaneously, most interbank lending rates rose as well.

Despite the modest optimism on the key global stock markets, the Romanian benchmark, the BET index eased by 0.1%, chiefly dragged down by OMW Petrom (-0.9%), Transelectrica (-0.9%) and Transgaz (-0.8%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
24-Jul	Monday	no data			
25-Jul	Tuesday	June	M3 (broad money, YoY%)	9.0	10.5
		June	Non-government loans (YoY%)	4.2	3.2
		June	Non-government deposits (YoY%)	7.5	9.1
		June	New commercial vehicle registrations (YoY%)	-13.0	25.8
26-Jul	Wednesday	no data			
27-Jul	Thursday	no data			
28-Jul	Friday	July	Economic Sentiment Indicator		105.4
		July	Consumer Confidence Indicator		-14.2

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		25-Jul-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.8220	↑ 1.70	↑ 18.34	↑ 27.48		
OTP Obligatiuni	RON	14.8437	↑ 0.01	↑ 1.15	↑ 2.12		
OTP ComodisRO	RON	17.2302	↑ 0.09	↑ 0.73	↑ 1.29		
OTP Euro Bond	EUR	12.7377	↓ -0.10	↑ 0.71	↑ 1.25		
OTP Dollar Bond	USD	10.9615	↑ 0.09	↑ 1.01	↑ 1.62		
OTP Premium Return	RON	11.5514	↓ -0.49	↑ 3.52	↑ 6.18		
OTP Euro Premium Return	EUR	9.8012	↓ -0.34	↓ -1.62	↓ -0.13		
OTP Global Mix	RON	11.2566	↓ -0.74	↑ 4.28	↑ 9.15		

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