



Date: 01.08.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,285.16	↑ 0.10	↓ -0.52
BET-TR	10,923.70	↑ 0.10	↓ -0.53
BET-FI	33,682.09	↓ -0.09	↑ 0.31
BET-XT	752.18	↑ 0.09	↓ -0.46
TLV	2.9000	→ 0.00	↓ -0.68
EL	14.1400	↑ 1.00	↓ -0.28
BRD	14.1000	↑ 0.14	↓ -0.28
SNG	28.2000	→ 0.00	↓ -0.70
SNP	0.3170	↑ 0.48	↓ -0.78

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.51	↓ -0.5	↓ -0.5
12 month	0.78	↓ -0.5	→ 0.0
3 year	1.70	↓ -0.5	↑ 1.5
5 year	2.52	→ 0.0	↑ 2.5
10 year	3.83	↑ 0.5	↑ 4.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Thursday	3.2Y	RON 500 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.56	↓ -4.0	↓ -2.0
3M ROBOR	0.87	→ 0.0	→ 0.0
6M ROBOR	1.04	→ 0.0	↑ 1.0
1Y ROBOR	1.20	↓ -1.0	→ 0.0
5Y CDS	98.87	↑ 4.4	↑ 4.4

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5555	↓ -0.11	↓ -0.19
USD/RON	3.8597	↑ 0.25	↓ -1.51
CHF/RON	3.9969	↑ 0.38	↓ -2.84
100HUF/RON	0.0150	↑ 0.13	↑ 0.42

Sources: Reuters, OTP Research

**Summary**

- In July, the NBR's FX reserves stood at EUR 34.6 bn, down from June's EUR 35.2 bn.
- Romania's producer price index slightly eased in June (-0.1% MoM), as energy production prices fell sharply (-1.2% MoM).
- The Supreme Defence Council agreed yesterday to spend annually 2% of Romania's GDP for defence.
- The EUR/RON finished yesterday's trading session below 4.56; the BET was up by 0.1%.

At the end of July, the foreign exchange reserve of Romania's central bank stood at EUR 34.6 bn, decreasing from EUR 35.2 bn in the previous month. Beyond the regular flows, induced among others by changes in the reserve requirements of commercial banks as well as payments of public debt, the depreciation of the US dollar also had a negative impact on Romania's FX reserves. We recall that the US dollar weakened around 3.5% compared to the euro last month, as political uncertainties surrounded the Trump administration, while the latest indicators painted a bright picture about the eurozone economy.

Producer prices slipped 0.1% month over month in June, a report of the National Institute of Statistics said this morning. Given this slight drop and strong base effects from the previous year, the annual growth rate of producer prices slowed to 2.5%, versus 3.3% in May. Nevertheless, it is important to add that June's monthly fall was entirely due to lower energy production prices (-1.2% MoM), while the PPI of consumer goods continued to climb higher. This may support further the upward trend of core inflation dynamics. It should be mentioned that consumer price inflation reached 0.9% YoY in June, the highest level since May 2015, the month before the government implemented the lowered value added tax rate on food products.

Tomorrow retail trade as well as overnight stay statistics will be revealed by the NIS.

According to Romania's updated military procurement plan, the government will spend annually 2% of the country's GDP for defence in the period of 2017-2026, in line with the requirements of the NATO. In 2016, Romania's defence spending stood at 1.7% of GDP.

The leu slightly firmed compared to the euro yesterday on relatively low volumes. At the same time, the BET increased only 0.1%, underperforming its Western European peers. Europe's key equity indices performed well, helped by upbeat Q2 GDP figures and earnings reports. In the USA, the main benchmarks also inched up.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
31-Jul	Monday	June	Licenses for residential buildings (YoY%)	2.7	17.1
		June	ILO unemployment rate (% , seasonally adjusted)	5.3	5.4
1-Aug	Tuesday	July	FX Reserves (EUR bn)	34.6	35.2
2-Aug	Wednesday	June	Producer Price Index (YoY%)	2.5	3.3
3-Aug	Thursday	June	Retail trade (YoY%)		14.0
		June	Tourists' overnight stays (YoY%)		0.2
4-Aug	Friday	August	Base rate decision (%)		1.75

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		31-Jul-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.7811	↑	4.72	↑	17.89	↑ 25.13
OTP Obligatiuni	RON	14.8525	↑	0.22	↑	1.21	↑ 2.12
OTP ComodisRO	RON	17.2333	↑	0.09	↑	0.75	↑ 1.29
OTP Euro Bond	EUR	12.7463	↑	0.18	↑	0.78	↑ 1.26
OTP Dollar Bond	USD	10.9687	↑	0.24	↑	1.08	↑ 1.68
OTP Premium Return	RON	11.5288	↑	0.04	↑	3.32	↑ 5.46
OTP Euro Premium Return	EUR	9.8208	↑	0.73	↓	-1.42	↓ -0.24
OTP Global Mix	RON	11.2228	↑	0.34	↑	3.96	↑ 7.72

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