



Date: 02.08.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,299.22	↑ 0.17	↓ -0.29
BET-TR	10,941.15	↑ 0.16	↓ -0.31
BET-FI	33,618.77	↓ -0.19	↓ -0.11
BET-XT	752.97	↑ 0.11	↓ -0.29
TLV	2.4523	↑ 0.69	↓ -0.51
BRD	14.2200	↑ 0.85	↑ 0.99
EL	14.1000	↓ -0.28	↓ -0.70
SNP	0.3170	→ 0.00	↑ 0.16
M	36.8000	↓ -1.60	↓ -0.27

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.51	→ 0.0	↓ -1.5
12 month	0.78	→ 0.0	→ 0.0
3 year	1.70	→ 0.0	↓ -0.5
5 year	2.51	↓ -0.5	↓ -2.5
10 year	3.83	↓ -0.5	↓ -0.5

**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	0.55	↓ -1.0	↓ -6.0
3M ROBOR	0.87	→ 0.0	→ 0.0
6M ROBOR	1.03	↓ -1.0	↓ -2.0
1Y ROBOR	1.20	→ 0.0	↓ -1.0
5Y CDS	94.48	↓ -4.4	→ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5610	↑ 0.12	↓ -0.09
USD/RON	3.8470	↓ -0.33	↓ -1.14
CHF/RON	3.9628	↓ -0.85	↓ -3.17
100HUF/RON	0.0150	↑ 0.25	↑ 0.46

Sources: Reuters, OTP Research

**Summary**

- The growth pace of retail sales lost a bit of steam in June, but overall, it remained strong in Q2.
- In June, the number of tourists' overnight stays picked up, posting 13% annual gain.
- The leu finished yesterday's trading in the vicinity of 4.56 against the euro.
- Banking sector stocks helped the BET to gain 0.2%.

Retail sales lost a bit of steam in June, the fresh data of the National Institute of Statistics revealed this morning. In annual terms, the growth rate of retail trade slowed to 7.3% (gross data), down from May's stellar 14.0% advance. In month-over-month comparison, sales slightly dropped (-0.4%, seasonally and working day adjusted data). In the light of May's very strong performance, the modest setback in June should not cause too much concern. Moreover, retail trade expanded by 8.7% YoY on average in Q2 2017, even faster than in the first quarter of the year (6.8% YoY). This suggests that households' consumption expenditure may have risen quite rapidly in Q2 2017 too, after advancing 7.4% YoY in Q1.

In June, tourists' overnight stays in Romania grew by 13.0% YoY, the NIS also said today. This healthy growth rate came after a rather disappointing performance in May (+0.2% YoY). In the first half of 2017, overnight stays rose by 7.3% YoY.

The EUR/RON slightly climbed higher yesterday on low summer volumes. In the CEE region, the Czech koruna showed the largest movement compared to the euro, appreciating around 0.2% ahead of today's monetary policy meeting. The majority of analysts (according to a Reuters survey) expect that the Czech central bank may lift its benchmark rate, but admittedly, opinions greatly vary. We note that NBR chief Mr Isarescu indicated several times that the Board of Romania's CB cautiously monitors other central banks' actions. Accordingly, a potential rate hike of the CNB could be an additional argument, supporting the launch of policy normalisation in Romania. Nevertheless, in line with the market consensus we expect that the NBR's rate will remain on hold on its next policy meeting, planned for Friday.

Today the Ministry of Finance puts up for sale RON 500 mn debt in 3.2Y bonds.

In Bucharest, banking sector stocks performed quite well yesterday, with BRD and TLV adding 0.9% and 0.7% respectively, helping the BET (+0.2%) to buck the trends seen in the CEE region. It should be noted that the BRD published favourable earnings report, pointing to swiftly rising profit, on the back of lower risk cost.

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%)	7.3	14.0
		June	Tourists' overnight stays (YoY%)	13.0	0.2
4-Aug	Friday	August	Base rate decision (%)	1.75	1.75

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		1-Aug-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.7849	↑	4.76	↑	17.93	↑ 25.13
OTP Obligatiuni	RON	14.8580	↑	0.26	↑	1.25	↑ 2.13
OTP ComodisRO	RON	17.2339	↑	0.09	↑	0.75	↑ 1.29
OTP Euro Bond	EUR	12.7517	↑	0.22	↑	0.82	↑ 1.27
OTP Dollar Bond	USD	10.9707	↑	0.26	↑	1.10	↑ 1.68
OTP Premium Return	RON	11.5312	↑	0.06	↑	3.34	↑ 5.47
OTP Euro Premium Return	EUR	9.8377	↑	0.91	↓	-1.25	↓ -0.13
OTP Global Mix	RON	11.2308	↑	0.41	↑	4.04	↑ 7.87

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