

## Headquarter Treasury Sales

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# Daily Report – Romania

Date: 07.08.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,373.74	↑ 0.54	↑ 1.17
BET-TR	11,087.75	↑ 0.55	↑ 1.61
BET-FI	33,850.30	↑ 0.19	↑ 0.41
BET-XT	760.59	↑ 0.57	↑ 1.21
TLV	2.4850	↓ -0.40	↑ 2.03
FP	0.8730	→ 0.00	↑ 0.11
SNP	0.3255	↑ 1.72	↑ 3.17
SNG	28.5000	↑ 1.24	↑ 1.06
BRD	14.1600	↑ 0.43	↑ 0.57

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.50	↑ 1.0	↓ -1.0
12 month	0.78	↑ 1.0	↓ -0.5
3 year	1.86	↑ 23.0	↑ 15.5
5 year	2.51	↑ 3.5	↓ -0.5
10 year	3.86	↑ 5.5	↑ 3.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	10.0Y	RON 200 mn	RON 200 mn
Thursday	12M	RON 800 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.55	→ 0.0	↓ -5.0
3M ROBOR	0.87	→ 0.0	→ 0.0
6M ROBOR	1.05	↑ 2.0	↑ 1.0
1Y ROBOR	1.20	→ 0.0	↓ -1.0
5Y CDS	91.10	↑ 0.1	↓ -3.4

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5624	↑ 0.05	↑ 0.04
USD/RON	3.8676	↓ -0.20	↑ 0.46
CHF/RON	3.9740	↓ -0.21	↓ -0.19
100HUF/RON	0.0150	↑ 0.18	↑ 0.08

Sources: Reuters, OTP Research

**Summary**

- Today NBR governor Mr Isarescu will present the new Inflation Report in a press conference.
- Wage growth remained strong, posting 14.5% YoY gain in June.
- The EUR/RON showed little variation yesterday.
- The Treasury sold the planned RON 200 mn debt, but amid decreasing demand.
- Romanian stocks finished mostly in the green.

Today's main event will be the press conference of NBR chief Mr Isarescu, who will present the central bank's view on inflation developments, included in the central bank's new Inflation Report. At the same time, the details about the NBR's upwardly revised inflation forecast will be revealed as well.

Yesterday the National Institute of Statistics published detailed wage statistics for June 2017. According to the report, the growth rate of net wages remained unchanged in June, at 14.5% YoY, a quite fast expansion. Simultaneously, net wages grew by around 13.6% YoY in real terms, down from May's 13.8% YoY, as consumer price inflation gained momentum recently. Overall, in the second quarter of the year, real wages went up by 13.4% YoY, after a spectacular, 15.6% YoY gain in Q1. The second quarter's still definitely strong growth pace, together with quite positive data from retail sales and services rendered to the population, suggest that households' consumption expenditures could have posted a healthy advance in Q2 too. Nonetheless, the minimum as well as public wage hikes also played an important role in the spectacular gains in wages. We think that wage growth is set to remain healthy given the tightness of the labour market, further planned salary hikes in the public sector and also due to the cyclical upswing of the country's economy. However, these advances, well above the 10% threshold, seem to be unsustainable on the long run, given the limits set by productivity growth. Therefore, a modest slowdown may come in the following period. Tomorrow morning external trade statistics will be revealed.

The EUR/RON showed little variation yesterday, while the other currencies of the CEE region changed mixed.

On Monday, the benchmark yields on government securities mostly moved up, the NBR's fixing rate statistics showed. This came after a better-than-expected US job report on Friday, as well as the comments of Mr Isarescu, stating that reasons for tightening monetary policy were adding up. Yesterday the Treasury sold the planned RON 200 mn debt, but amid shrinking buying interest.

Despite the rather mixed sentiment on global equity markets, the BET fared well yesterday, registering 0.5% gain.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
7-Aug	Monday	June	Net wage growth rate (YoY%)	14.5	14.5
8-Aug	Tuesday		no data		
9-Aug	Wednesday	June	Exports (FOB, YoY%)		19.3
		June	Imports (CIF, YoY%)		18.0
10-Aug	Thursday	June	Industrial trade turnover index (YoY%)		18.5
		June	Index value of new orders in manufacturing (YoY%)		24.6
11-Aug	Friday	July	Consumer price index (YoY%)		0.9
		June	Industrial production (YoY%)		17.3
		June	Turnover of market serv. provided to the population (YoY%)		15.5

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		4-Aug-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.9073	↑ 4.10	↑	19.27	↑	26.68
OTP Obligatiuni	RON	14.8651	↑ 0.30	↑	1.30	↑	2.07
OTP ComodisRO	RON	17.2356	↑ 0.09	↑	0.76	↑	1.28
OTP Euro Bond	EUR	12.7603	↑ 0.30	↑	0.89	↑	1.24
OTP Dollar Bond	USD	10.9754	↑ 0.29	↑	1.14	↑	1.66
OTP Premium Return	RON	11.5509	↑ 0.13	↑	3.52	↑	5.50
OTP Euro Premium Return	EUR	9.8492	↑ 0.83	↓	-1.13	↓	-0.30
OTP Global Mix	RON	11.2597	↑ 0.38	↑	4.30	↑	8.21

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