

Date: 09.08.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,395.13	↓ -0.70	↑ 1.16
BET-TR	11,118.54	↓ -0.70	↑ 1.62
BET-FI	34,973.22	↑ 0.46	↑ 4.03
BET-XT	766.01	↓ -0.60	↑ 1.73
TLV	2.5300	↓ -0.78	↑ 3.17
SNG	29.3000	↑ 0.34	↑ 3.90
BRD	14.0400	↓ -1.13	↓ -1.27
SNP	0.3200	↓ -1.84	↑ 0.95
FP	0.8730	↑ 0.11	↓ -0.11

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.52	↑ 0.5	↑ 1.5
12 month	0.80	⇒ 0.0	↑ 1.5
3 year	1.87	⇒ 0.0	↑ 16.5
5 year	2.53	↑ 0.5	↑ 1.5
10 year	3.88	↑ 1.0	↑ 5.0

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	0.56	↑ 2.0	↑ 1.0
3M ROBOR	0.87	⇒ 0.0	⇒ 0.0
6M ROBOR	1.05	⇒ 0.0	↑ 2.0
1Y ROBOR	1.21	↑ 1.0	↑ 1.0
5Y CDS	90.95	↓ -0.1	↓ -3.5

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5692	↑ 0.11	↑ 0.18
USD/RON	3.8856	↑ 0.06	↑ 1.00
CHF/RON	4.0321	↑ 1.14	↑ 1.75
100HUF/RON	0.0150	↓ -0.28	↓ -0.61

Sources: Reuters, OTP Research

Summary

- The index of industrial turnover pointed to a slowdown in June, but overall, it fared well in Q2.
- In June, the growth rate of new orders lost steam, advancing only 2.6% YoY.
- Tomorrow CPI statistics will see the light of day; headline inflation probably inched up sharply in July.
- On Wednesday, the leu modestly weakened against the euro in line with other currencies of the CEE region.

Romania's statistical office published several data about the performance of the industrial sector in June 2017. The industrial turnover index registered 8.9% YoY growth, down from May's multi-year high of 18.8% YoY, the NIS's report showed today. This suggests that the volume index of industrial production (which is set to be revealed on Friday morning, and is a more accurate indicator for the underlying performance of industry) could also have lost some steam in June. Nevertheless, it is important to mention that, overall, industry fared definitely well in the second quarter, and most likely had recorded a large positive contribution to Q2's GDP growth.

Similarly to the industrial turnover index, new orders in manufacturing also lost impetus in June, recording only 2.6% YoY advance. However, this setback came after an exceptional gain a month earlier (+24.0% YoY).

On Friday morning, the NIS will reveal consumer price statistics for July. Broadly in line with the market expectations, we expect that the annual inflation rate could have picked up sharply in July, primarily driven by the significant rise in energy prices. We recall that the NBR recently revised upward the year-end inflation forecast to 1.9% YoY, up from its previous 1.6% YoY projection. However, the NBR's experts did not take into account the government's latest plan to lift the excise duty on fuels, starting from 1 September. The implementation of the proposed tax change is set to result in additional pressures on the headline inflation. Following the fiscal easing measures, as well as the significant wage and pension hikes implemented earlier this year, it seems that the government now is seeking ways to keep the budget deficit near the 3% threshold.

Yesterday, the leu weakened compared to the euro, ending the session near 4.57. The movement was in line with the trends seen elsewhere in Central and Eastern Europe. Today the Treasury puts up for sale RON 800 mn debt in 12M securities.

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%)	2.5	19.3
		June	Imports (CIF, YoY%)	14.2	18.0
10-Aug	Thursday	June	Industrial trade turnover index (YoY%)	8.9	18.8
		June	Index value of new orders in manufacturing (YoY%)	2.6	24.0
11-Aug	Friday	July	Consumer price index (YoY%)	1.3	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		8-Aug-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.0871	↑	4.76	↑	21.24	↑ 27.32
OTP Obligatiuni	RON	14.8695	↑	0.43	↑	1.33	↑ 1.98
OTP ComodisRO	RON	17.2375	↑	0.09	↑	0.78	↑ 1.28
OTP Euro Bond	EUR	12.7660	↑	0.51	↑	0.94	↑ 1.15
OTP Dollar Bond	USD	10.9795	↑	0.40	↑	1.18	↑ 1.60
OTP Premium Return	RON	11.5818	↑	0.61	↑	3.80	↑ 5.70
OTP Euro Premium Return	EUR	9.8688	↑	1.62	↓	-0.94	↓ -0.30
OTP Global Mix	RON	11.2998	↑	0.93	↑	4.68	↑ 8.18

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