

Date: 18.08.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,302.86	↓ -0.35	↓ -0.34
BET-TR	11,003.16	↓ -0.34	↓ -0.29
BET-FI	34,879.92	↓ -0.52	↑ 0.50
BET-XT	759.56	↓ -0.25	↓ -0.16
SNP	0.3160	↓ -0.47	↓ -1.86
FP	0.8600	↓ -1.15	↓ -0.92
EL	13.0600	↑ 0.46	↓ -6.18
SNG	30.5500	↑ 0.83	↑ 4.27
BRD	14.0000	→ 0.00	↑ 0.43

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.57	↑ 1.0	↑ 6.0
12 month	0.81	↓ -0.5	↑ 1.5
3 year	1.87	→ 0.0	↑ 0.5
5 year	2.54	↓ -1.0	↑ 1.0
10 year	3.90	↓ -0.5	↑ 2.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	7.5Y	RON 300 mn	
Thursday	4.5Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.52	↑ 1.0	↓ -4.0
3M ROBOR	0.90	↑ 1.0	↑ 3.0
6M ROBOR	1.08	→ 0.0	↑ 3.0
1Y ROBOR	1.25	→ 0.0	↑ 4.0
5Y CDS	90.06	→ 0.0	↓ -0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5896	↑ 0.09	↑ 0.34
USD/RON	3.9024	↓ -0.27	↑ 0.87
CHF/RON	4.0442	↓ -0.38	↑ 0.59
100HUF/RON	0.0151	↑ 0.15	↑ 0.69

Sources: Reuters, OTP Research

Summary

- After last week's important macroeconomic data releases, including the better-than-expected Q2 GDP estimate, this week has a rather light calendar.
- On Friday, the EUR/RON remained at elevated levels, near 4.59.
- In line with its main global peers, the BET finished in the red zone, after terrorist attacks sparked concerns among investors.

After a series of important macroeconomic data releases in the middle of August, the calendar for this week is rather light, with non-government loan and deposit statistics to be revealed on Thursday, while government budget data could be published as well.

Last week, the flash Q2 GDP estimate of the National Institute of Statistics brought the largest surprise, pointing to 5.9% YoY advance (based on gross data). This growth pace exceeded market expectations by a wide margin (4.8% YoY, according to a Reuters survey) and put Romania on the top of the European Union. However, the excellent growth figures were fuelled by aggressive fiscal easing measures like minimum and public wage hikes, as well as significant tax cuts. Meanwhile, loose monetary conditions also provided support for the country's economy. In these conditions, we think that given the fading base effects, GDP growth may start to decelerate gradually in the second half of this year. The detailed statistics about the Q2 GDP data will be revealed at the beginning of September.

In line with the widening positive output gap, driven primarily by strong domestic demand, the current account deficit increased in the first half of 2017, reaching EUR 2.75 bn, up from EUR 1.96 bn in the same period of the previous year, the NBR said last week. This, together with the rising trajectory of consumer prices, may urge the central bank to launch the policy normalisation process in the following period. We recall that Romania's annual inflation marked a three-year record high of 1.4% in July, up from 0.9% YoY a month earlier (for more details please visit our latest [inflation report](#)).

The EUR/RON remained at elevated levels on Friday, near 4.59. We note that the leu lost ground last week, after both inflation and GDP statistics pointed to acceleration, causing government securities' yields to climb higher.

On Friday, Bucharest's BET index shed following the trends seen on global stock markets. The leading global equity indices suffered from a sell-off, sparked by deadly terrorist attacks in the heart of Barcelona.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
21-Aug	Monday		no data		
22-Aug	Tuesday		no data		
23-Aug	Wednesday		no data		
24-Aug	Thursday	July	M3 (broad money, YoY%)		9.0
		July	Non-government loans (YoY%)		4.2
		July	Non-government deposits (YoY%)		7.5
25-Aug	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		17-Aug-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.9600	↑	2.72	↑	19.85	↑ 25.75
OTP Obligatiuni	RON	14.8728	↑	0.30	↑	1.35	↑ 1.66
OTP ComodisRO	RON	17.2418	↑	0.09	↑	0.80	↑ 1.27
OTP Euro Bond	EUR	12.7730	↑	0.40	↑	0.99	↑ 0.87
OTP Dollar Bond	USD	10.9800	↑	0.25	↑	1.19	↑ 1.37
OTP Premium Return	RON	11.5754	↑	0.24	↑	3.74	↑ 5.44
OTP Euro Premium Return	EUR	9.8338	↑	0.29	↓	-1.29	↓ -0.81
OTP Global Mix	RON	11.2814	↑	0.11	↑	4.51	↑ 7.88

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