

Date: 21.08.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,317.95	↑ 0.18	↑ 0.01
BET-TR	11,022.86	↑ 0.18	↑ 0.06
BET-FI	34,955.01	↑ 0.22	↑ 1.07
BET-XT	760.47	↑ 0.12	↑ 0.23
TEL	28.0000	⇒ 0.00	↓ -0.36
SNG	30.6000	↑ 0.16	↑ 4.26
TLV	2.4400	↓ -0.20	↓ -1.01
FP	0.8700	↑ 1.16	↑ 0.12
SIF3	0.2595	⇒ 0.00	↑ 1.76

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.58	↑ 0.5	↑ 4.5
12 month	0.81	⇒ 0.0	↑ 1.0
3 year	1.87	↓ -0.5	↓ -0.5
5 year	2.54	⇒ 0.0	↓ -0.5
10 year	3.89	↓ -1.0	↓ -1.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	7.5Y	RON 300 mn	RON 487.4 mn
Thursday	4.5Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.48	↓ -4.0	↓ -12.0
3M ROBOR	0.90	⇒ 0.0	↑ 1.0
6M ROBOR	1.09	↑ 1.0	↑ 2.0
1Y ROBOR	1.26	↑ 1.0	↑ 3.0
5Y CDS	90.36	↑ 0.3	↓ -0.6

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5862	↓ -0.07	↑ 0.28
USD/RON	3.8817	↓ -0.53	↓ 0.00
CHF/RON	4.0354	↓ -0.22	↑ 1.04
100HUF/RON	0.0151	↑ 0.06	↑ 0.62

Sources: Reuters, OTP Research

Summary

- Romania's banking sector registered RON 2.7 bn profit in the first half of 2017; capital adequacy improved further.
- The EUR/RON was traded in a tight range yesterday, with the leu finishing the session slightly stronger.
- On Monday, the MoF borrowed more than planned in 7.5Y bonds.
- The BET added 0.2%, helped by the shares of FP.

Romania's banking system registered around RON 2.7 bn profit in first half of this year, corresponding to 12.9% return on equity (ROE), the statistics of the NBR showed recently. This was an improvement compared to last year, when the sector's ROE indicator was 10.4%. At the same time, the system level capital adequacy ratio also improved to 19.8%, up from 19.7% at the end 2016. Meanwhile, the share of non-performing loans eased further, by 1.3 percentage points, to 8.3% as of June 2017.

In the absence of important market-moving news, the EUR/RON had a rather calm session yesterday, with the leu finishing the day marginally stronger. At the same time, Poland's zloty and the Czech koruna weakened modestly against the common European currency, while the Hungarian forint closed slightly stronger ahead of today's monetary policy meeting. Simultaneously, the EUR/USD climbed around 0.4% higher yesterday, after investors turned their attention to geopolitical tensions, as the USA and South Korea kicked off the joint annual military exercises on the Korean Peninsula.

The Ministry of Finance sold more than planned in 7.5Y bonds yesterday (RON 487.4 mn versus RON 300 mn), after commercial banks subscribed for RON 602.4 mn. Nonetheless, the average accepted yield climbed to 3.59%, up from 3.46% in a previous similar auction in July.

Trading sentiment on global equity markets was rather cautious yesterday, as geopolitical tensions between the USA and North Korea came back into focus. The key European indices closed mostly lower, while US stocks ended mixed. In Bucharest, the BET index registered 0.2% gain, driven by Fondul Proprietatea's 1.2% advance.

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		18-Aug-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.9347	↑	1.90	↑	19.57	↑ 24.93
OTP Obligatiuni	RON	14.8739	↑	0.29	↑	1.36	↑ 1.63
OTP ComodisRO	RON	17.2422	↑	0.09	↑	0.80	↑ 1.26
OTP Euro Bond	EUR	12.7745	↑	0.40	↑	1.00	↑ 0.84
OTP Dollar Bond	USD	10.9819	↑	0.25	↑	1.20	↑ 1.38
OTP Premium Return	RON	11.5714	↑	0.21	↑	3.70	↑ 5.39
OTP Euro Premium Return	EUR	9.8261	↑	0.34	↓	-1.37	↓ -0.85
OTP Global Mix	RON	11.2698	↑	0.20	↑	4.40	↑ 7.60

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