

Date: 23.08.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,352.09	↑ 0.01	↑ 0.72
BET-TR	11,069.46	↓ 0.00	↑ 0.76
BET-FI	35,330.82	↑ 0.96	↑ 2.06
BET-XT	764.21	↑ 0.08	↑ 0.96
SNG	31.2000	↓ -0.64	↑ 3.65
SIF1	2.2500	↑ 2.04	↑ 5.14
FP	0.8740	↑ 0.69	↑ 0.34
BRD	13.9600	↓ -0.29	↓ -0.29
TLV	2.4700	↑ 0.41	↑ 2.07

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.59	↑ 1.5	↑ 4.0
12 month	0.81	→ 0.0	↑ 0.5
3 year	1.87	↑ 1.0	↑ 0.5
5 year	2.55	↑ 1.0	↑ 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	0.46	↓ -1.0	↓ -9.0
3M ROBOR	0.90	→ 0.0	↑ 2.0
6M ROBOR	1.09	↑ 1.0	↑ 1.0
1Y ROBOR	1.25	→ 0.0	↑ 2.0
5Y CDS	89.83	↓ -0.2	↓ -1.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5870	↑ 0.06	↑ 0.04
USD/RON	3.8853	↓ -0.34	↓ -0.26
CHF/RON	4.0241	↓ -0.06	↓ -0.27
100HUF/RON	0.0152	↑ 0.16	↑ 0.68

Sources: Reuters, OTP Research

Summary

- News coming from the political scene were in the spotlight yesterday; the leu weakened slightly.
- Romania's robust GDP growth is not risk free, Fitch wrote in a note yesterday.
- Today private credit and deposit statistics will see the light of day.
- On Wednesday, the BET finished flat, while the key global equity indices mostly dropped.

On the domestic front, news coming from the political scene was in the focus yesterday, after Romania's justice minister Mr Tudorel Toader presented a draft, proposing to remove President from the process of naming chief prosecutors. President Iohannis called the proposal as an attack on the rule of law. At the same time, controversial information on privately managed pension funds also resulted in uncertainties. Reportedly, the Ministry of Finance was considering to reduce significantly the contributions to mandatory private pension funds (pillar II) starting from next year. However, economy minister Mr Fifer as well as the Financial Supervisory Authority stated that the current operation mechanism of the Pension Pillar II was not under discussion.

Yesterday the Ministry of Finance presented a modified plan about its proposed new split payment system for value added tax. The draft could be approved by the government already in this month. According to the plan, the new split payment system will be mandatory starting from 1 January 2018, and optional from this October. Romania's finance ministry expects from the implementation of the bill to generate additional RON 6 bn revenues to the government budget in the period of 2018-2020.

On Wednesday, global credit rating agency Fitch warned in a note that Romania's rapid economic growth, fuelled by pro-cyclical fiscal policies and large gains in wages, have increased overheating risks. Fitch's specialists expect the country's economy to lose some steam in 2018 and 2019, posting 3.4% and 3.5% advances, as policy stimulus eases. Simultaneously, government deficit may exceed the 3% in both years, sending government debt to 43.6% of GDP at the end of 2019, up from 2016's 37.6%.

Amid yesterday's bunch of news on the domestic front and the unsupportive global trading sentiment, the leu weakened marginally against the euro.

Today the NBR publishes fresh non-government credit and deposit statistics, and the Treasury keeps an auction, in order to borrow RON 500 mn in 4.5Y bonds.

Romanian stocks moved in mixed directions yesterday, and accordingly the BET closed practically flat. Developed equity markets mostly fell on Wednesday.

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		22-Aug-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.9647	↑	1.06	↑	19.90	↑ 25.34
OTP Obligatiuni	RON	14.8785	↑	0.26	↑	1.39	↑ 1.62
OTP ComodisRO	RON	17.2443	↑	0.09	↑	0.81	↑ 1.26
OTP Euro Bond	EUR	12.7787	↑	0.33	↑	1.04	↑ 0.86
OTP Dollar Bond	USD	10.9840	↑	0.23	↑	1.22	↑ 1.35
OTP Premium Return	RON	11.5761	↑	0.13	↑	3.75	↑ 5.48
OTP Euro Premium Return	EUR	9.8318	↑	0.32	↓	-1.31	↓ -0.91
OTP Global Mix	RON	11.2908	↑	0.34	↑	4.59	↑ 8.10

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