



Date: 28.08.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,307.53	↓ -0.66	↓ -0.53
BET-TR	11,011.04	↓ -0.67	↓ -0.53
BET-FI	35,594.69	↓ -0.33	↑ 1.71
BET-XT	762.08	↓ -0.66	↓ -0.20
TGN	404.0000	↓ -1.22	↓ -0.98
SNG	31.0000	↓ -0.64	↓ -1.27
TLV	2.4450	↓ -1.01	↓ -0.61
BRD	13.9000	↓ -0.71	↓ -0.71
SIF3	0.2620	↓ -2.24	→ 0.00

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.59	→ 0.0	↑ 2.0
12 month	0.82	↓ -0.5	↑ 1.0
3 year	1.86	↓ -0.5	↓ -0.5
5 year	2.60	↑ 0.5	↑ 5.5
10 year	3.89	↓ -0.5	↑ 0.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	1.5Y	RON 500 mn	RON 500 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.63	↑ 1.0	↑ 16.0
3M ROBOR	0.90	→ 0.0	→ 0.0
6M ROBOR	1.09	→ 0.0	↑ 1.0
1Y ROBOR	1.26	→ 0.0	↑ 1.0
5Y CDS	89.56	↓ -0.2	↓ -0.4

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5953	↓ -0.04	↑ 0.24
USD/RON	3.8362	↓ -0.04	↓ -1.60
CHF/RON	4.0142	↓ -0.07	↓ -0.31
100HUF/RON	0.0150	↓ -0.54	↓ -0.74

Sources: Reuters, OTP Research

**Summary**

- The growth rate of building permits accelerated, pointing to 20% annual advance in July.
- Romania' resident population fell by 122,000 last year due to negative natural increase and emigration.
- Geopolitical tensions weighed on the CEE region's currencies, but the leu closed slightly stronger, after a sudden revival.
- The BET fell in line with Western European equity markets.

In July, the number of new building permits rose by 20.0% YoY, pointing to a sharp acceleration compared to June's mere 2.7% advance. Meanwhile, based on built area it expanded 11.8% YoY, up from 5.2% YoY a month earlier. Even though the construction sector's performance was quite disappointing in the past few quarters due to collapsing public investments, the residential segment fared definitely well. The fresh building permits statistics suggest that the residential segment may continue to grow nicely in the following period.

Romania's resident population fell to 19.64 million as of 1 January 2017, down from 19.76 million a year earlier, the NIS said in a report yesterday. The primary reason for the decline was the negative natural increase (-68,000 persons), as the number of deceased persons exceeded the number of live births, while emigration was the second biggest factor in last year's drop.

Today economic sentiment as well as consumer confidence statistics for August will be revealed.

On Tuesday, North Korea's missile launch over Japan caused nervousness on global financial markets, prompting investors to seek safe assets. Accordingly, the CEE region's currencies came under selling pressure and finished the day mostly weaker compared to the euro. Nevertheless, the EUR/RON bucked the trend: after a sharp upswing in the morning hours, it bounced back suddenly and ended the session slightly lower. It cannot be excluded that the leu's movement was supported by an intervention of Romania's central bank.

Government securities' yields showed small changes on Tuesday. Today the Treasury may publish its issue calendar for September.

The renewed geopolitical worries dragged down European equity markets. In line with its Western European peers, the BET also slipped, giving up 0.7% yesterday. Meanwhile, US stocks were able to reverse the earlier losses, and closed modestly higher.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
28-Aug	Monday	no data			
29-Aug	Tuesday	July	Licenses for residential buildings (YoY%)	20.0	2.7
30-Aug	Wednesday	August	Economic Sentiment Indicator		104.8
		August	Consumer Confidence Indicator		-17.0
31-Aug	Thursday	July	ILO unemployment rate (% , seasonally adjusted)		5.3
1-Sep	Friday	July	Tourists' overnight stays (YoY%)		13.0

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		28-Aug-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.0465	↑	2.30	↑	20.79	↑ 24.26
OTP Obligatiuni	RON	14.8842	↑	0.24	↑	1.43	↑ 1.61
OTP ComodisRO	RON	17.2476	↑	0.09	↑	0.83	↑ 1.27
OTP Euro Bond	EUR	12.7833	↑	0.32	↑	1.07	↑ 0.84
OTP Dollar Bond	USD	10.9873	↑	0.19	↑	1.25	↑ 1.34
OTP Premium Return	RON	11.5740	↑	0.37	↑	3.73	↑ 5.17
OTP Euro Premium Return	EUR	9.8176	↓	-0.02	↓	-1.45	↓ -1.13
OTP Global Mix	RON	11.2469	↑	0.15	↑	4.19	↑ 7.51

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