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Daily Report – Romania

Date: 18.09.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,995.97	↓ -0.22	↓ -0.78
BET-TR	10,601.85	↓ -0.22	↓ -0.80
BET-FI	37,814.62	↑ 1.35	↑ 3.78
BET-XT	746.60	↑ 0.10	↓ -0.09
TLV	2.26	↓ -0.44	↓ -0.88
BRD	12.90	↑ 0.78	↓ -0.31
SNG	2.51	↑ 5.03	↑ 7.97
TGN	12.72	↓ -1.40	↓ -1.40
TEL	398.00	↑ 0.25	↓ -0.25

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	0.66	→ 0.0	↓ -0.5
12 month	0.83	↑ 0.5	↑ 0.5
3 year	1.87	→ 0.0	↓ -0.5
5 year	2.62	↑ 0.5	→ 0.0
10 year	3.87	↓ -0.5	↓ -1.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	1.8Y	RON 500 mn	RON 500 mn
Thursday	3.1Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	0.51	↓ -1.0	↓ -6.0
3M ROBOR	1.00	↑ 2.0	↑ 3.0
6M ROBOR	1.17	↑ 2.0	↑ 2.0
1Y ROBOR	1.36	↑ 2.0	↑ 2.0
5Y CDS	89.03	↑ 0.0	↑ 0.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5983	↓ -0.08	↑ 0.03
USD/RON	3.8465	↓ -0.16	↑ 0.01
CHF/RON	3.9990	↓ -0.34	↓ -0.57
100HUF/RON	0.0149	↓ -0.17	↓ -0.96

Sources: Reuters, OTP Research

Summary

- The ROBOR 3M reached 1.00% yesterday, the highest since the beginning of 2016.
- Modest optimism characterised Monday's trading on global financial markets, after geopolitical tensions eased.
- The EUR/RON continued to be traded near 4.60.
- Yesterday the Treasury borrowed RON 500 mn, as planned.

On Monday, interbank lending rates mostly increased, with the ROBOR 3M, the key benchmark for loans with variable interest rate, climbing to 1.00%, the highest since the beginning of 2016. Money market rates, particularly with longer maturities started to increase gradually in the perspective of rising annual inflation (for more about the outlook, please see our latest [inflation](#) as well as the [MPC](#) reports).

Modest optimism ruled the key Western European and US markets yesterday on the prospect of fading geopolitical tensions. This came after US officials said that they are seeking "a peaceful solution" to the conflict of North Korea and want to bring the Asian country "to the table for constructive, productive dialogue". A military option is the only one left if diplomatic efforts fail.

Around the CEE region, currencies showed rather small changes, with some weakening bias. Nonetheless, the leu bucked the trends firming marginally against the euro. As a result, the EUR/RON finished yesterday's session a touch below 4.60. The muted changes of the EUR/RON in the latest period suggested that the central bank was disposed to ease weakening pressures, when the cross neared the 4.60 threshold. In the CEE region, the monetary policy meeting of Hungary's central bank could be in the spotlight. According to the expectations, the country's central bank may loosen monetary conditions further. Meanwhile, market participants will also focus to the Fed's Open Market Committee meeting, which starts today and will be concluded on Wednesday. Most likely, the FOMC will keep the key interest rates unchanged, but could start to shrink the Fed's balance sheet.

Yesterday the Treasury sold the planned amount of RON 500 mn in 1.8Y government securities, after commercial banks subscribed for RON 1,110 mn. The average accepted yield stood at 1.46%.

Despite the supportive global market sentiment, Romanian stocks mostly fell, driven by Conpet's 1.9% drop.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
18-Sep	Monday		no data		
19-Sep	Tuesday		no data		
20-Sep	Wednesday		no data		
21-Sep	Thursday	July&August	New commercial vehicle registrations (YoY%)		-13.0
22-Sep	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		15-Sep-17					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.9744	↑ 0.48	↑	20.00	↑	23.01
OTP Obligatiuni	RON	14.9078	↑ 0.23	↑	1.59	↑	1.58
OTP ComodisRO	RON	17.2556	↑ 0.09	↑	0.88	↑	1.24
OTP Euro Bond	EUR	12.8130	↑ 0.32	↑	1.31	↑	0.92
OTP Dollar Bond	USD	10.9992	↑ 0.17	↑	1.36	↑	1.42
OTP Premium Return	RON	11.6247	↑ 0.58	↑	4.18	↑	5.34
OTP Euro Premium Return	EUR	9.8930	↑ 0.71	↓	-0.69	↓	-0.74
OTP Global Mix	RON	11.3540	↑ 0.97	↑	5.18	↑	8.90

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