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# Daily Report – Romania

Date: 27.09.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,914.24	↓ -0.36	↓ -0.05
BET-TR	10,493.49	↓ -0.36	↓ -0.05
BET-FI	37,398.86	↓ -0.12	↓ -1.25
BET-XT	738.92	↓ -0.33	↓ -0.24
TLV	12.50	↓ -0.79	→ 0.00
BRD	2.25	↑ 0.67	↑ 0.45
SNG	0.85	↓ -0.35	↓ -0.94
TGN	37.50	↓ -1.06	↓ -2.34
TEL	0.29	↓ -0.68	↑ 1.75

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.03	↑ 22.0	↑ 36.5
12 month	1.11	↑ 17.0	↑ 26.5
3 year	2.11	↑ 12.0	↑ 24.5
5 year	2.82	↑ 5.5	↑ 21.0
10 year	4.05	↑ 9.0	↑ 20.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	4.4Y	RON 500 mn	RON 349 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.02	↑ 14.0	↑ 53.0
3M ROBOR	1.25	↑ 11.0	↑ 20.0
6M ROBOR	1.35	↑ 10.0	↑ 16.0
1Y ROBOR	1.53	↑ 8.0	↑ 14.0
5Y CDS	91.27	↓ -3.0	↓ -3.5

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.5981	↓ -0.05	↑ 0.02
USD/RON	3.9136	↑ 0.34	↑ 1.20
CHF/RON	4.0273	↑ 0.02	↑ 1.07
100HUF/RON	0.0148	↓ -0.16	↓ -0.96

Sources: Reuters, OTP Research

**Summary**

- Yesterday the ROBOR 3M hit almost two-year high, at 1.25%.
- Government securities' yields inched up as well.
- The EUR/RON dipped slightly lower on Wednesday, while the greenback continued to strengthen against the euro.
- The BET fell yesterday, despite the supportive global trading sentiment.

Yesterday the ROBOR 3M jumped 11 basis points, reaching 1.25%. This new peak corresponds to an almost-two-year record (the last time when it stood at a higher level, 1.27%, was on 27 October 2015), translating into increased costs for borrowers with variable interest rates. Admittedly, interbank lending rates are set to increase gradually on the medium- and long term, among others, because of the rebounding consumer prices, the expected launch of the monetary policy normalisation process, and due to several external factors. Nevertheless, we think that after the sudden and quite rapid rises in the past few weeks, ROBOR rates may stabilise in the following weeks. Additionally, several transitory factors, like the NBR's interventions on the FX market as well as significant payments to the government budget played an important role in the recent swift pick-up of interest rates, as these actions probably took toll on the liquidity surplus of the banking system.

Similarly to the interbank interest rates, the benchmark yields on government securities also climbed by 13 basis points on average, the NBR's data showed. The largest changes were seen at the short end, with the yield on the 6M maturity increasing 22 bps.

On Wednesday, trading on global financial markets was optimistic, supported by news about a potential tax relief in the USA as well as the perspective of a Fed rate hike in December. The latter is set to help bank revenues to go up. The US dollar also got a boost on the back of the news and appreciated around 0.4% against the common European currency. At the same time, Romania's leu firmed slightly, while elsewhere in the CEE region, currencies mostly weakened. Despite the supportive trading mood on global equity markets, the BET slipped 0.4% yesterday.

Today the European Commission will publish economic sentiment and consumer confidence data for September.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
25-Sep	Monday	August	M3 (broad money, YoY%)	11.7	10.4
		August	Non-government loans (YoY%)	6.5	5.5
		August	Non-government deposits (YoY%)	10.2	9.0
26-Sep	Tuesday		no data		
27-Sep	Wednesday		no data		
28-Sep	Thursday	September	Economic Sentiment Indicator		104.9
		September	Consumer Confidence Indicator		-14.3
29-Sep	Friday	August	Licenses for residential buildings (YoY%)		20.0

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		26-Sep-17					
Investment funds	ccy	last NAV/U	1m%		Ytd%	52W%	
OTP AvantisRO	RON	10.9088	↓ -1.17	↑	19.29	↑	22.08
OTP Obligatiuni	RON	14.9005	↑ 0.13	↑	1.54	↑	1.30
OTP ComodisRO	RON	17.2596	↑ 0.08	↑	0.90	↑	1.22
OTP Euro Bond	EUR	12.8051	↑ 0.19	↑	1.25	↑	0.65
OTP Dollar Bond	USD	10.9987	↑ 0.12	↑	1.36	↑	1.22
OTP Premium Return	RON	11.6288	↑ 0.45	↑	4.22	↑	5.23
OTP Euro Premium Return	EUR	9.8823	↑ 0.55	↓	-0.80	↓	-1.12
OTP Global Mix	RON	11.3536	↑ 0.80	↑	5.17	↑	8.68

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