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Daily Report – Romania

Date: 12.10.2017

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET | 8,022.51 | ↑ 0.20 | ↑ 1.71 |
| BET-TR | 10,637.05 | ↑ 0.20 | ↑ 1.71 |
| BET-FI | 36,560.90 | ↓ -0.87 | ↓ -1.65 |
| BET-XT | 743.31 | ↑ 0.01 | ↑ 1.03 |
| TLV | 2.36 | ↑ 0.43 | ↑ 6.55 |
| BRD | 0.85 | ↓ -0.12 | → 0.00 |
| SNG | 28.80 | ↓ -0.69 | ↑ 0.35 |
| TGN | 12.86 | ↑ 0.47 | ↓ -0.31 |
| TEL | 1.97 | ↓ -4.60 | ↓ -3.43 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 1.45 | ↑ 5.0 | ↑ 30.5 |
| 12 month | 1.54 | ↑ 4.0 | ↑ 28.5 |
| 3 year | 2.40 | ↑ 0.5 | ↑ 21.5 |
| 5 year | 3.03 | ↑ 1.5 | ↑ 20.0 |
| 10 year | 4.20 | ↓ -1.5 | ↑ 16.0 |

GOV'T BOND AUCTIONS

| | Maturity | Auctions | Sold |
|----------|----------|------------|----------|
| Monday | 6.6Y | RON 300 mn | RON 0 mn |
| Thursday | 12M | RON 600 mn | RON 0 mn |

MONEY MARKET

| | Rate (%/bp) | Daily chg (bp) | Weekly chg (bp) |
|----------|-------------|----------------|-----------------|
| ON ROBOR | 1.87 | ↓ -1.0 | ↓ -13.0 |
| 3M ROBOR | 1.78 | ↓ -1.0 | ↓ -2.0 |
| 6M ROBOR | 1.91 | → 0.0 | ↑ 2.0 |
| 1Y ROBOR | 1.94 | → 0.0 | ↑ 5.0 |
| 5Y CDS | 90.46 | ↓ -0.3 | → 0.0 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4.5865 | ↑ 0.34 | ↑ 0.02 |
| USD/RON | 3.8843 | ↓ -0.23 | ↓ -0.56 |
| CHF/RON | 3.9821 | ↑ 0.12 | ↓ -0.82 |
| 100HUF/RON | 0.0148 | ↑ 0.62 | ↑ 0.39 |

Sources: Reuters, OTP Research

Summary

- In August, Romania's industrial output rose by 2.0% MoM (SWDA).
- Despite the continued strong performance of the residential sector (+12% MoM), construction output slightly dropped in August (-0.3% MoM).
- The turnover indices of wholesale trades and market services continued to increase.
- Yesterday the ruling PSD party agreed to reshuffle the government.

In August, Romania's industrial output rose by 2.0% MoM (seasonally and working day adjusted data), lifting the annual advance to 10.3% YoY (gross data), after a transitory slowdown in July (-1.2% MoM and 7.3% YoY). We recall that the sharp rebound of the eurozone economy helped Romania's industrial production to surge rapidly. In the second quarter of 2017, industrial value added registered 1.9 percentage-point contribution to the country's remarkable 6.1% GDP growth.

In 2015, Romania's economy grew slightly faster than previously thought (4.0% vs. 3.9%), the final version of the NIS's GDP estimate revealed this morning.

In month-over-month comparison, construction works fell marginally in August (-0.3%, SWDA), after the strong gain of the residential sector (+12.2%) was more than offset by the plunge in civil-engineering as well as the non-residential sector (-6.5% and -13.0% respectively).

The turnover index of wholesale trades maintained its momentum, expanding by 2.6% MoM (SWDA) in August. This came after another robust growth in July (+2.4% MoM), helping the annual advance to reach 10.9% (gross data). The turnover index of market services rendered mainly to enterprises also grew by 0.6% MoM and 13.4% YoY, the NIS said today.

The ruling PSD (Social Democrat Party) agreed yesterday evening to reshuffle the government, approving the proposal of Prime Minister Mr Tudose. The government came under pressure following corruption allegations surrounding some ministers. Reshuffling the government is expected to strengthen Mr Tudose's position within the party.

All of the bids were rejected in yesterday's government security auction. Simultaneously, the leu weakened yesterday, ending the trading session near 4.59 against the euro.

| Date | PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS | |
|--------|-----------|-----------|--|-----------|----------|------|
| 11-Oct | Wednesday | September | Consumer price index (YoY%) | 1.8 | 1.6 | 1.2 |
| | | August | Turnover of market serv. provided to the population (YoY%) | 22.8 | | 19.9 |
| 12-Oct | Thursday | August | Industrial production (YoY%) | 10.3 | | 7.3 |
| 13-Oct | Friday | August | Wholesale turnover index (YoY%) | 10.9 | | 7.6 |
| | | August | Turnover of market serv. rendered mainly to enterp. (YoY%) | 13.4 | | 15.1 |
| | | August | Construction works (YoY%) | -0.5 | | 1.4 |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds | | 11-Oct-17 | | | | | |
|---------------------------|-----|------------|---------|---|-------|------|-------|
| Investment funds | ccy | last NAV/U | 1m% | | Ytd% | 52W% | |
| OTP AvantisRO | RON | 10.9100 | ↓ -0.12 | ↑ | 19.30 | ↑ | 21.39 |
| OTP Obligatiuni | RON | 14.8843 | ↓ -0.17 | ↑ | 1.43 | ↑ | 1.31 |
| OTP ComodisRO | RON | 17.2673 | ↑ 0.08 | ↑ | 0.95 | ↑ | 1.18 |
| OTP Euro Bond | EUR | 12.8085 | ↓ -0.08 | ↑ | 1.27 | ↑ | 0.83 |
| OTP Dollar Bond | USD | 11.0064 | ↑ 0.06 | ↑ | 1.43 | ↑ | 1.40 |
| OTP Premium Return | RON | 11.6853 | ↑ 0.54 | ↑ | 4.72 | ↑ | 5.71 |
| OTP Euro Premium Return | EUR | 9.9268 | ↑ 0.34 | ↓ | -0.36 | ↓ | -0.44 |
| OTP Global Mix | RON | 11.5130 | ↑ 1.62 | ↑ | 6.65 | ↑ | 9.50 |

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