

## Headquarter Treasury Sales

**Ionut Constandache**

0372 31 85 86

ionut.constandache@otpbank.ro

**Corina Bejan**

0372 31 85 84

corina.bejan@otpbank.ro

**Anamaria Toma**

0372 31 85 85

anamaria.toma@otpbank.ro

**Cristian Bodirca**

0372 31 85 88

cristian.bodirca@otpbank.ro

## Regional Treasury Sales

**Szilamer Kozma - Cluj**

0755 000 400

szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**

0755 000 199

tudor.zaman@otpbank.ro

**Alexandru Sabin - Arad**

0730 577 959

alexandru.sabin@otpbank.ro

**Andrei Sala - Brasov**

0755 000 015

andrei.sala@otpbank.ro



# Daily Report – Romania

Date: 27.10.2017

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,857.79	↓ -0.28	↓ -0.95
BET-TR	10,425.39	↓ -0.28	↓ -0.95
BET-FI	36,423.32	↓ -0.01	↓ -0.35
BET-XT	731.66	↓ -0.19	↓ -0.85
EL	12.9800	↓ -0.31	↓ -0.31
TLV	2.2100	↓ -0.23	↓ -4.95
SNG	31.4500	↓ -0.16	↓ -0.16
TGN	396.0000	↓ -0.50	↓ -1.24
TEL	28.6000	↑ 0.51	↓ -0.34

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.78	→ 0.0	↑ 0.5
12 month	1.99	→ 0.0	↑ 1.0
3 year	2.64	↓ -0.5	↑ 6.0
5 year	3.16	↑ 0.5	↑ 5.0
10 year	4.34	↑ 1.0	↑ 11.5

**GOV'T BOND AUCTIONS**

Maturity	Auctions	Sold
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**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.83	↓ -6.0	↑ 109.0
3M ROBOR	1.88	↑ 1.0	↑ 4.0
6M ROBOR	2.03	↓ -1.0	↑ 1.0
1Y ROBOR	2.13	→ 0.0	↑ 1.0
5Y CDS	90.81	↑ 0.1	↑ 0.2

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6052	↑ 0.17	↑ 0.12
USD/RON	3.9622	↑ 0.40	↑ 1.47
CHF/RON	3.9757	↑ 0.51	↑ 0.24
HUF/RON	0.0148	↑ 0.21	↓ -0.78

Sources: Reuters, OTP Research

**Summary**

- The number of new building permits slightly fell in September (-0.8% YoY), but overall grew nicely in Q3 2017 (+10% YoY).
- On Friday, the leu lost around 0.2% against the euro, while the US dollar continued to rally compared to the common European currency.

On annual basis, the number of new licenses for residential buildings slightly fell (-0.8%) in September, a report of the National Institute of Statistics revealed today. This came after a series of healthy gains in the previous few months. Therefore, overall, the growth rate of licenses remained at an elevated level, close to 10.1% YoY in Q3 2017. In QoQ terms, the number of new building permits surged 4.7%, our in-house seasonally adjusted data showed. Based on built area, probably a more accurate indicator for underlying processes, licenses pointed to 10.0% YoY and 3.4% QoQ advances in Q3, suggesting that the residential segment of the construction sector may grow further in the following period. We recall that the residential sub-index of construction works posted stellar expansion in the first eight months of this year (+85.7% YoY).

Today the European Commission will publish detailed economic sentiment and consumer confidence data for Romania and the EU. Later this week, the latest unemployment, tourists' overnight stays and producer price statistics will see the light of day. In the USA, the Fed's monetary policy meeting will be key event.

On Friday, the greenback continued to rally compared to the euro, still helped by the rather dovish message of the ECB. On Thursday, the European Central Bank decided to reduce the pace of its monthly bond purchases to EUR 30 bn starting from January 2018 (down from EUR 60 bn), but simultaneously, it prolonged the net asset purchase programme until September 2018, leaving the door open for further extensions too. At the same time, hopes for a tax overhaul and speculations about the next Fed chair also supported the US dollar on Friday. Meanwhile, the leu weakened against the euro, bucking the trends of other currencies in the CEE region.

Interbank lending rates and government securities' yields showed small changes on Friday. Today the Ministry of Finance is expected to publish the auction calendar for November.

Despite the mostly positive trading sentiment on global stock markets, the BET index fell 0.3%, and registered around 1% loss on weekly basis.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
30-Oct	Monday	September	Licenses for residential buildings (YoY%)	-0.8	11.2
		October	Economic Sentiment Indicator		104.9
		October	Consumer Confidence Indicator		-15.0
31-Oct	Tuesday	September	ILO unemployment rate (% , seasonally adjusted)		5.1
1-Nov	Wednesday	September	Tourists' overnight stays (YoY%)		3.8
		October	FX Reserves (EUR bn)		33.3
2-Nov	Thursday	September	Producer Price Index (YoY%)		4.1
3-Nov	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		26-Oct-17					
Investment funds	ccy	last NAV/U	1m%		Ytd%	52W%	
OTP AvantisRO	RON	10.8964	↓ -0.11	↑	19.15	↑	21.79
OTP Obligatiuni	RON	14.8847	↓ -0.11	↑	1.43	↑	1.22
OTP ComodisRO	RON	17.2753	↑ 0.09	↑	1.00	↑	1.18
OTP Euro Bond	EUR	12.8027	↓ -0.02	↑	1.23	↑	0.74
OTP Dollar Bond	USD	11.0090	↑ 0.09	↑	1.45	↑	1.38
OTP Premium Return	RON	11.6826	↑ 0.46	↑	4.70	↑	5.62
OTP Euro Premium Return	EUR	9.9494	↑ 0.68	↓	-0.13	↓	-0.39
OTP Global Mix	RON	11.5039	↑ 1.32	↑	6.57	↑	9.01

**Chief Economist****Gergely Tardos**

+36 1 3747273

[tardosg@otpbank.hu](mailto:tardosg@otpbank.hu)**Analyst****Csaba Bálint**

+4021 3075896

[csaba.balint@otpbank.ro](mailto:csaba.balint@otpbank.ro)

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