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Daily Report – Romania

Date: 15.11.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,731.54	↓ -0.94	↓ -0.59
BET-TR	10,394.69	↓ -0.93	↓ -0.44
BET-FI	38,315.92	↓ -0.85	↑ 1.87
BET-XT	731.41	↓ -1.04	↓ -0.11
TLV	2.12	↓ -2.30	↓ -0.24
BRD	12.76	↓ -1.24	↑ 0.95
SNG	0.29	↓ -0.86	↓ -2.21
TGN	384.00	↓ -0.52	↓ -0.78
TEL	31.40	↑ 0.16	↑ 2.61

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.21	↑ 15.0	↑ 46.0
12 month	2.46	↑ 14.5	↑ 52.0
3 year	3.21	↑ 14.0	↑ 53.0
5 year	3.71	↑ 8.5	↑ 51.0
10 year	4.62	→ 0.0	↑ 32.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	4.3Y	RON 500 mn	RON 0 mn
Thursday	1.3Y	RON 400 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.20	↑ 41.0	↑ 92.0
3M ROBOR	2.06	↑ 14.0	↑ 20.0
6M ROBOR	2.17	↑ 10.0	↑ 15.0
1Y ROBOR	2.24	↑ 7.0	↑ 12.0
5Y CDS	90.72	↓ 0.0	↑ 0.8

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6435	↓ -0.18	↑ 0.24
USD/RON	3.9359	↓ -1.28	↓ -1.55
CHF/RON	3.9846	↓ -0.44	↓ -0.34
100HUF/RON	0.0149	↓ -0.26	↑ 0.16

Sources: Reuters, OTP Research

Summary

- Yesterday the second revision of this year's budget plan was approved by Romania's government.
- In October, new passenger car sales grew rapidly (+26.2% YoY).
- The leu firmed even though its CEE region's peers weakened against the euro.
- Stock market closed in negative territory.

On Wednesday, the government approved the second revision of this year's budget plan. The deficit target remained unchanged at 3% of GDP, while expected public revenues and expenses were lifted slightly owing to higher forecasted GDP for 2017.

In October, new passenger car registrations accelerated, posting 26.2% annual advance, up from 11.4% YoY in September, the ACEA's (European Automobile Manufacturers Association) data showed this morning. In month-over-month comparison, car sales increased by 2.1% our in-house seasonally and working day adjusted figures pointed out. This advance signals a quite strong start of Q4, continuing the general upwards trajectory seen in Q3, despite the concerns triggered by several tax changes and a jump in financing costs. In the European Union, new registrations surged by 5.9% YoY. Meanwhile, Dacia sales performed definitely well, recording 20.0% annual gain last month.

Unsupportive mood characterised yesterday's trading session, but Romania's leu firmed around 0.2% compared to the euro. The other currencies of the CEE region mostly lost ground.

Both interbank lending rates and government securities' yields rose on Wednesday, according to the NBR's centralised statistics. The ROBOR 3M marched to 2.06%, up from 1.92% a day earlier.

In the USA, the key equity benchmarks closed in negative territory, after oil prices slumped on the back of a surprise build-up in US crude and gasoline inventories. In addition, jitters around the success of a US tax overhaul also put pressure on the performance of the key indices. At the same time, European stocks mostly fell, extending the losses registered in the previous few days, with energy producers and mining companies suffering the most. The strong euro also weighed on equities, as it made exported products more expensive for trading partners outside the eurozone. In Bucharest, the stock benchmarks tracked their global peers yesterday. Among the constituents of the BET index, only the shares of Romgaz were able to record a slight gain (+0.2%). Romania's state-owned gas producer, Romgaz posted 66% higher profit in the first nine month of this year.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
14-Nov	Tuesday	Q3 2017	Flash GDP growth rate (YoY%)	8.8	5.8	6.1
		September	Wholesale turnover index (YoY%)	5.5		11.1
		September	Turnover of market serv. rendered mainly to enterp. (YoY%)	10.8		13.2
		September	Construction works (YoY%)	-14.5		-1.7
15-Nov	Wednesday	no data				
16-Nov	Thursday	October	New passenger car registrations (YoY%)	26.2	11.4	
17-Nov	Friday	no data				

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		14-Nov-17					
Investment funds	ccy	last NAV/U	1m%		Ytd%	52W%	
OTP AvantisRO	RON	11.0455	↑ 0.58	↑	20.78	↑	23.11
OTP Obligatiuni	RON	14.8927	↑ 0.06	↑	1.49	↑	1.69
OTP ComodisRO	RON	17.2858	↑ 0.11	↑	1.06	↑	1.19
OTP Euro Bond	EUR	12.8105	↓ -0.02	↑	1.29	↑	1.48
OTP Dollar Bond	USD	11.0128	↑ 0.04	↑	1.49	↑	1.87
OTP Premium Return	RON	11.7365	↑ 0.37	↑	5.18	↑	6.15
OTP Euro Premium Return	EUR	9.9009	↓ -0.46	↓	-0.62	↑	0.21
OTP Global Mix	RON	11.5872	↑ 0.50	↑	7.34	↑	9.51

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