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# Daily Report – Romania

Date: 29.11.2017(01.12.2017 for FX data)

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,796.21	↓ -0.08	↑ 0.30
BET-TR	10,483.92	↓ -0.08	↑ 0.29
BET-FI	38,466.90	↑ 0.34	↓ -0.57
BET-XT	736.59	↓ -0.02	↓ 0.00
TLV	0.85	↑ 0.48	↑ 1.81
BRD	12.94	↑ 0.15	↑ 0.31
SNG	2.17	↓ -0.69	↓ -0.46
TGN	0.29	↓ -0.17	↑ 1.41
TEL	31.90	↓ -0.16	↓ -1.85

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.34	↑ 3.5	↑ 2.0
12 month	2.54	↑ 8.0	↑ 7.0
3 year	3.46	↑ 5.0	↑ 6.5
5 year	3.77	↑ 5.5	↑ 5.5
10 year	4.52	↑ 6.0	↓ -3.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	9.6Y	RON 400 mn	
Thursday	2.9Y	RON 400 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.19	↑ 4.0	↑ 61.0
3M ROBOR	2.20	→ 0.0	↑ 6.0
6M ROBOR	2.34	↑ 4.0	↑ 6.0
1Y ROBOR	2.38	↑ 2.0	↑ 4.0
5Y CDS	90.35	→ 0.0	↓ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6308	↓ -0.29	↓ -0.20
USD/RON	3.8943	↓ -0.16	↑ 0.15
CHF/RON	3.9872	↑ 0.52	↑ 0.46
100HUF/RON	0.0147	↓ -0.54	↓ -0.78

Sources: Reuters, OTP Research

**Summary**

- The government aims 3% budget deficit in 2018, a draft of the Ministry of Finance revealed.
- In October, industrial producer prices went up by 0.7% MoM due to higher energy prices, while the IPP of foods eased 0.4% MoM.

The government aims 3% budget deficit for 2018, according to a draft of the Ministry of Finance, published last Wednesday. Budget revenues may reach 31.7% of GDP, while expenditures are expected to be at 34.6%, the document said. The 2018's draft is based on 5.5% real economic growth estimation. The European Commission forecasts 3.9% deficit in 2018, and 4.1% in 2019.

In October, industrial producer prices grew by 0.7% MoM, primarily on the back of surging energy prices. In annual terms, the IPP index advanced 4.0%, down from September's 4.3%, mainly owing to base effects. It is important to note that the IPP of foods decreased by 0.4% MoM in October, most probably due to this year's abundant crop, which dragged down agro-commodity prices in the latest period.

Today the NBR will publish foreign exchange reserve statistics for November. A month earlier, the central bank's FX reserve increased by around EUR 0.6 bn, to EUR 33.9 bn, helped by a Eurobond issuance of the Ministry of Finance (in value of EUR 1.0 bn). Today the NBR will also publish its fresh Financial Stability Report; the main findings of the document will be presented in a press conference. Given the rising concerns about the overheating of Romania's economy, the key messages of the NBR may be worth checking.

On Tuesday, the detailed Q3 GDP statistics will see the light of day. We recall that the country's economy grew by 8.8% YoY in the third quarter of this year, causing a large positive surprise, but also fuelling sustainability worries. We think that underlying GDP dynamics were strong in Q3, driven by the services sector, while the output of agriculture could also have played an important role. On the expenditures side, most likely households' consumption registered the largest contribution to the growth.

Global trading sentiment was rather pessimistic on Friday, amid political worries around US President Mr Trump and uncertainties around the US tax reform. On Monday, The EUR/RON started the day close to 4.64.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
4-Dec	Monday	October	4.0		4.3
		November			33.9
5-Dec	Tuesday	Q3 2017	Detailed GDP growth rate (YoY%, provisional data 1)		8.8
		October			4.3
		October			13.7
6-Dec	Wednesday	no data			
7-Dec	Thursday	no data			
8-Dec	Friday	no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		28-Nov-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.9758	↑	1.11	↑	20.02	↑ 23.69
OTP Obligatiuni	RON	14.9034	↑	0.09	↑	1.56	↑ 1.69
OTP ComodisRO	RON	17.2922	↑	0.09	↑	1.10	↑ 1.19
OTP Euro Bond	EUR	12.8233	↑	0.12	↑	1.39	↑ 1.53
OTP Dollar Bond	USD	11.0207	↑	0.10	↑	1.56	↑ 1.84
OTP Premium Return	RON	11.8277	↑	1.09	↑	6.00	↑ 6.91
OTP Euro Premium Return	EUR	9.9669	↓	-0.01	↑	0.05	↑ 0.55
OTP Global Mix	RON	11.6579	↑	0.90	↑	7.99	↑ 10.14

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