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Daily Report – Romania

Date: 13.12.2017

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,546.07	↓ -0.60	↓ -1.62
BET-TR	10,145.85	↓ -0.61	↓ -1.63
BET-FI	38,709.56	↓ -0.84	↓ -0.84
BET-XT	716.80	↓ -0.67	↓ -1.66
TLV	2.10	↓ -0.71	↑ 0.72
BRD	12.56	↓ -0.32	↓ -3.38
FP	0.84	↓ -0.59	↓ -0.83
SNP	0.28	↑ 0.36	↓ -0.88
EL	10.78	↓ -1.82	↓ -3.75

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.15	↓ -2.0	↓ -3.0
12 month	2.38	↓ -1.5	↓ -1.5
3 year	3.38	↓ -3.0	↓ -2.5
5 year	3.75	→ 0.0	↑ 4.5
10 year	4.35	↓ -8.0	↓ -8.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.4Y	RON 200 mn	RON 0 mn
Thursday	12M	RON 400 mn	
Thursday	4.2Y	RON 400 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.18	↓ -15.0	↓ -68.0
3M ROBOR	2.12	↓ -3.0	↓ -6.0
6M ROBOR	2.30	↓ -1.0	↓ -1.0
1Y ROBOR	2.36	↓ -1.0	↓ -1.0
5Y CDS	89.30	↑ 0.2	↓ -1.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6325	↑ 0.06	↑ 0.04
USD/RON	3.9174	↓ -0.63	↓ -0.23
CHF/RON	3.9755	↓ -0.02	↑ 0.24
100HUF/RON	0.0147	↓ -0.08	↓ -0.03

Sources: Reuters, OTP Research

Summary

- Mixed data came out about Romania's economy this morning.
- The EUR/RON remained close to 4.63 yesterday.
- The BET sharply fell.

This morning, mixed data came out about Romania's economy. The turnover index of market services rendered mainly to enterprises increased quite rapidly (2.3% MoM and 13.8% YoY) in October, among others helped by the sub-index of transports (2.1% MoM / 18.7% YoY). In addition, wholesale trades also went up swiftly, registering 2.6% MoM and 12.6% YoY gains, supported also by the excellent agricultural harvest. The trade index of agricultural raw materials and live animals increased by 4.0% MoM and 19.3 YoY, playing an important role in the upswing of the headline indicator for wholesales. On the other hand, the annual growth rate of construction output remained deep in negative territory (-13.4%) in October, after construction works dipped 1.3% on month-over-month basis. At the same time, new passenger car registrations also fell (-3.5% YoY in November, after 26.2% YoY a month earlier). In MoM comparison, new car sales dropped 2.5% according to our in-house seasonally adjusted data. Last month's setback in car registrations could be a sign of weaker consumer confidence, following an important increase in financing costs and controversial government actions.

As it had been widely expected, yesterday the US Federal Reserve raised its target interest rate range by a quarter percentage point to between 1.25% and 1.50%. Before the Fed's meeting, investors in Europe were rather cautious, waiting for the monetary policy decision. Admittedly, there was little doubt about the outcome of the meeting, but questions regarding how many more rate hike will come continued to linger. The CEE region's currencies depreciated slightly ahead of the Fed's meeting, as higher interest rates in the USA make other assets less attractive. Romania's leu also weakened marginally against the euro, trading in a narrow range during the regular trading hours.

The BET underperformed both its Western European and US peers, closing yesterday's trading session 0.6% lower.

**please note that the next Romanian daily report will be published in the beginning of January 2018*

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
13-Dec	Wednesday	October	Turnover of market serv. provided to the population (YoY%)	19.4	15.8
		October	Industrial production (YoY%)	11.6	4.3
14-Dec	Thursday	October	Construction works (YoY%)	-13.4	-14.6
		October	Turnover of market serv. rendered mainly to enterp. (YoY%)	13.8	11.7
		October	Wholesale turnover index (YoY%)	12.4	5.7
		November	New passenger car registrations (YoY%)	-3.5	26.2
15-Dec	Friday	October	CA balance (EUR mn, YTD)		-4,191

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		12-Dec-17					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.8474	↓	-1.35	↑	18.62	↑ 20.47
OTP Obligatiuni	RON	14.9261	↑	0.20	↑	1.71	↑ 1.84
OTP ComodisRO	RON	17.3030	↑	0.11	↑	1.16	↑ 1.21
OTP Euro Bond	EUR	12.8323	↑	0.16	↑	1.46	↑ 1.61
OTP Dollar Bond	USD	11.0207	↑	0.07	↑	1.56	↑ 1.79
OTP Premium Return	RON	11.8103	↑	0.61	↑	5.84	↑ 6.39
OTP Euro Premium Return	EUR	9.9681	↑	0.27	↑	0.06	↑ 0.31
OTP Global Mix	RON	11.6451	↑	0.44	↑	7.87	↑ 8.86

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