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# Daily Report – Romania

Date: 15.01.2018

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,254.85	↓ -0.17	↑ 3.41
BET-TR	11,097.43	↓ -0.17	↑ 3.42
BET-FI	41,938.49	↑ 0.26	↑ 2.74
BET-XT	782.30	↓ -0.12	↑ 3.19
BRD	13.70	→ 0.00	↑ 2.54
FP	0.92	↑ 0.11	↑ 2.92
SNN	7.72	↑ 0.52	↑ 1.58
SNG	33.80	↓ -0.15	↑ 5.62
TLV	2.30	↑ 0.22	↑ 6.00

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.84	→ 0.0	↑ 9.5
12 month	2.13	↓ -1.0	↑ 14.0
3 year	3.33	↓ -2.0	↑ 6.0
5 year	3.80	↓ -1.5	↑ 9.5
10 year	4.21	↓ -1.5	↓ -7.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	12M	RON 800 mn	RON 0 mn
Monday	3.8Y	RON 700 mn	RON 700 mn
Thursday	5.4Y	RON 500 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.12	↓ -1.0	↑ 17.0
3M ROBOR	1.98	→ 0.0	↓ -2.0
6M ROBOR	2.22	→ 0.0	↓ -1.0
1Y ROBOR	2.34	→ 0.0	↑ 2.0
5Y CDS	77.72	↑ 0.1	↓ -7.6

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6388	↑ 0.08	↓ -0.25
USD/RON	3.7822	↓ -0.50	↓ -2.67
CHF/RON	3.9270	↑ 0.02	↓ -1.17
100HUF/RON	0.0150	↑ 0.10	↓ -0.23

Sources: Reuters, OTP Research

**Summary**

- On Monday, PM Mr Mihai Tudose resigned after losing the support of the ruling Social Democrat Party.
- On the back of the political noise, the leu started Tuesday's session weaker.
- Romania's current account deficit continued to widen in November.
- Fitch affirmed Romania's 'BBB-' rating yesterday.
- The Ministry of Finance sold the planned RON 700 mn in yesterday's 3.8Y auction.

Romania's Prime Minister Mihai Tudose resigned on Monday. His decision came after ruling Social Democrats withdrew their backing, apparently because of the rising tension between the premier and PSD leader Mr Dragnea. Mr Tudose was the second PM to be ousted in seven months. Temporarily, Deputy PM Mr Stanescu may replace Mr Tudose as premier.

On the back of the political tensions, the EUR/RON inched somewhat higher. This morning the cross was traded slightly above 4.64.

In the period of January-November, the country's current account deficit rose to EUR 5.58 bn, up from EUR 2.90 bn in the same period of the previous year. The balance of goods registered the largest contribution to the wider deficit (EUR 10.46 bn vs. EUR 8.14) as domestic-demand-fuelled import grew faster than exports. The twelve-month rolling deficit reached 3.3% of GDP, the highest level since H1 2013. At the end of 2016, the current account gap was at 2.1%.

Fitch affirmed Romania's investment rating at 'BBB-', with stable outlook, but warned about the risk of pro-cyclical fiscal policies.

The Board of the NBR unanimously voted to increase the key rate by 25 bps to 2%, the minutes of the latest policy meeting revealed.

Yesterday debt managers sold RON 700 mn in 3.8Y bonds, as planned, as commercial banks subscribed for RON 933.9 mn. The average accepted yield was at 3.63%. Nevertheless, the Treasury rejected all bids on a separate 1Y T-bill tender, as demand was subdued.

Yesterday Bucharest's key equity indices pointed to thin changes. The BET lost 0.2%, while the investment fund index BET-FI rose 0.3%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
15-Jan	Monday	November	CA balance (EUR mn, YTD)	-5,581	-5,161
		November	Turnover of market serv. provided to the population (YoY%)	18.3	20.2
		November	Construction works (YoY%)	-4.2	-12.2
16-Jan	Tuesday	November	Turnover of market serv. rendered mainly to enterp. (YoY%)	12.6	13.2
		November	Wholesale turnover index (YoY%)	7.6	12.5

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		12-Jan-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.6203	↑	7.13	↑	4.88	↑ 25.29
OTP Obligatiuni	RON	14.9661	↑	0.27	↑	0.11	↑ 1.89
OTP ComodisRO	RON	17.3313	↑	0.16	↑	0.07	↑ 1.29
OTP Euro Bond	EUR	12.8323	→	0.00	↓	-0.02	↑ 1.31
OTP Dollar Bond	USD	11.0245	↑	0.03	↑	0.02	↑ 1.53
OTP Premium Return	RON	11.9169	↑	0.90	↑	0.59	↑ 6.51
OTP Euro Premium Return	EUR	10.0998	↑	1.32	↑	0.87	↑ 1.49
OTP Global Mix	RON	11.8321	↑	1.61	↑	1.36	↑ 9.94

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