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# Daily Report – Romania

Date: 22.01.2018

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,490.52	↑ 1.54	↑ 2.85
BET-TR	11,418.12	↑ 1.55	↑ 2.89
BET-FI	42,708.72	↑ 0.25	↑ 1.84
BET-XT	804.37	↑ 1.38	↑ 2.82
TLV	2.40	↑ 3.67	↑ 4.58
BRD	13.88	↑ 1.31	↑ 1.31
EL	11.90	→ 0.00	↑ 0.68
FP	0.92	↑ 0.22	↑ 0.87
SNG	35.70	↑ 1.71	↑ 5.62

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.82	↓ -3.0	↓ -2.0
12 month	2.13	↓ -1.0	↓ -0.5
3 year	3.41	↑ 1.0	↑ 8.5
5 year	3.91	↓ -1.0	↑ 11.5
10 year	4.32	↓ -0.5	↑ 10.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	6.3Y	RON 500 mn	RON 0 mn
Thursday	2.7Y	RON 500 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.11	↑ 2.0	↓ -1.0
3M ROBOR	1.98	↓ -1.0	→ 0.0
6M ROBOR	2.22	↓ -1.0	→ 0.0
1Y ROBOR	2.36	↓ -1.0	↑ 2.0
5Y CDS	77.79	↓ 0.0	↑ 0.1

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6671	↑ 0.13	↑ 0.61
USD/RON	3.8061	↓ -0.21	↑ 0.63
CHF/RON	3.9569	↓ -0.09	↑ 0.76
100HUF/RON	0.0151	↓ -0.02	↑ 0.35

Sources: Reuters, OTP Research

**Summary**

- The IMF improved its GDP growth forecasts for the global economy.
- Yesterday the EUR/RON marched higher.
- The Treasury rejected all bids in yesterday's debt auction.
- Optimism ruled Monday's trading on equity markets.

Yesterday the IMF published an update to its World Economic Outlook report. According to the fresh document, the global economy could have risen by 3.7% in 2017, 0.1 percentage points faster than previously thought. In addition, the IMF also upgraded its global GDP growth forecasts for 2018 and 2019 by 0.2 pps to 3.9%. The upward revisions came on the back of the expected positive spill-over effect of the recently approved US tax reform as well as increased global growth momentum. Risks to the near-term perspective are broadly balanced, but those to the long-term outlook are skewed to the downside, the IMF's expert warned. The current cyclical pick-up provides a window of opportunity to implement structural reforms and boost potential output, the report said too.

Today the NBR publishes non-government loan and deposit statistics. We recall that the stock of private loans advanced by 6.8% YoY in November, as credit to households grew by 7.8% YoY and company credits were up 5.8% YoY.

Yesterday the EUR/RON continued to climb slowly higher. As a result, the cross ended the day close to the 4.67 mark. In the latest period, the leu was under weakening pressure, lifting the EUR/RON to new peaks, as uncertainties around the government budget, unpredictable tax measures, political noise, social unrest as well as overheating fears weighed on the currency.

The Treasury rejected all bids on Monday's debt tender, as demand coming from dealers was quite low. Commercial banks subscribed to RON 289.1 mn, in contrast with the Treasury's targeted amount of RON 500 mn.

Global equity markets were enthusiastic yesterday. European stocks performed well, helped also by sovereign rating upgrades of Spain and Greece. In the USA, stocks increased as the Senate approved a procedural bill that sets the stage to fund the government through 8 February. In Bucharest, the key indices soared, with the BET adding 1.5%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
22-Jan	Monday		no data		
23-Jan	Tuesday	December	Non-government loans (YoY%)		6.8
		December	Non-government deposits (YoY%)		11.4
24-Jan	Wednesday	Q3 2017	Government deficit (ESA, % of GDP, 4Q rolling)		3.1
25-Jan	Thursday	December	New commercial vehicle registrations (YoY%)		-16.9
26-Jan	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		19-Jan-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.7749	↑	6.03	↑	6.28	↑ 26.88
OTP Obligatiuni	RON	14.9777	↑	0.31	↑	0.19	↑ 1.93
OTP ComodisRO	RON	17.3390	↑	0.17	↑	0.11	↑ 1.31
OTP Euro Bond	EUR	12.8328	↓	-0.01	↓	-0.02	↑ 1.30
OTP Dollar Bond	USD	11.0272	↑	0.06	↑	0.04	↑ 1.58
OTP Premium Return	RON	11.9294	↑	0.79	↑	0.69	↑ 6.59
OTP Euro Premium Return	EUR	10.0987	↑	1.04	↑	0.86	↑ 1.83
OTP Global Mix	RON	11.8582	↑	1.54	↑	1.59	↑ 10.44

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