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# Daily Report – Romania

Date: 01.02.2018

**STOCK EXCHANGE**

|        | Close     | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET    | 8,318.61  | ↓ -0.62        | ↓ -1.13         |
| BET-TR | 11,187.95 | ↓ -0.61        | ↓ -1.12         |
| BET-FI | 42,491.67 | ↓ -1.31        | ↓ -1.02         |
| BET-XT | 790.11    | ↓ -0.73        | ↓ -1.22         |
| TLV    | 2.38      | ↓ -1.04        | ↑ 1.06          |
| BRD    | 13.14     | ↓ -2.67        | ↓ -4.78         |
| SNN    | 8.12      | ↑ 1.25         | ↑ 0.87          |
| SFG    | 38.60     | ↓ -2.28        | ↓ -5.62         |
| FP     | 0.91      | ↓ -1.09        | ↓ -0.66         |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 1.76      | ↓ -2.0          | ↓ -5.0           |
| 12 month | 2.08      | ↓ -1.5          | ↓ -2.5           |
| 3 year   | 3.38      | ↓ -0.5          | ↓ -2.5           |
| 5 year   | 3.83      | ↓ -1.5          | ↓ -3.0           |
| 10 year  | 4.44      | → 0.0           | ↑ 13.0           |

**GOV'T BOND AUCTIONS**

|        | Maturity | Auctions   | Sold         |
|--------|----------|------------|--------------|
| Monday | 3.8Y     | RON 400 mn | RON 247.1 mn |

**MONEY MARKET**

|          | Rate (%/bp) | Daily chg (bp) | Weekly chg (bp) |
|----------|-------------|----------------|-----------------|
| ON ROBOR | 1.15        | ↑ 1.0          | ↓ -3.0          |
| 3M ROBOR | 1.97        | → 0.0          | ↓ -1.0          |
| 6M ROBOR | 2.25        | → 0.0          | ↑ 1.0           |
| 1Y ROBOR | 2.35        | → 0.0          | ↓ -1.0          |
| 5Y CDS   | 76.97       | ↑ 0.3          | ↓ -1.1          |

**FX MARKET**

|            | Rate   | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON    | 4.6527 | ↑ 0.04         | ↓ -0.48         |
| USD/RON    | 3.7198 | ↓ -0.75        | ↓ -1.37         |
| CHF/RON    | 4.0151 | ↓ -0.28        | ↑ 0.19          |
| 100HUF/RON | 0.0151 | ↑ 0.36         | ↓ -0.45         |

Sources: Reuters, OTP Research

**Summary**

- In January, the NBR's FX reserve was at EUR 33.5 bn.
- The EUR/RON remained close to 4.65.
- The MoF borrowed less than planned (RON 247 mn vs. RON 400 mn) in yesterday's debt tender.
- Romania tapped external markets, raising EUR 2 bn.
- The BET fell 0.6% on Thursday.

At the end of January, the central bank's foreign exchange reserve stood at EUR 33.50 bn, practically unchanged compared to December 2017 (EUR 33.49 bn), the National Bank of Romania said yesterday. A year earlier, the NBR's FX reserve was at EUR 34.52 bn.

On Thursday, the EUR/RON was traded in a narrow range, with the cross remaining close to the 4.65 threshold. Similarly to the leu, Poland's zloty was also little changed yesterday. Meanwhile, the Czech koruna as well as the Hungarian forint firmed compared to the common European currency. The rally of the Czech koruna was helped by the country's central bank, which raised the benchmark interest rate and signalled that another increase could come this year. Romania's leu strengthened against the US dollar, as the EUR/USD climbed higher, after investors shook off the hawkish hints of the Federal Reserve. The Federal Open Market Committee left the benchmark interest rates unchanged on its Wednesday's meeting, but hinted at increases in 2018.

Romania's Ministry of Finance sold RON 247.1 mn in yesterday's 4Y government bond auction. This value was less than planned (RON 400 mn), after dealers subscribed to RON 324.1 mn. The average accepted yield stood at 3.76%, 13 bps higher than at a similar auction in January.

Yesterday Romania also tapped external markets via 12Y (EUR 750 mn) and 20Y (EUR 1.25 bn) bonds.

In Europe, the key equity indices closed in negative territory yesterday, as global bond yields climbed higher. Bucharest's benchmark index, the BET dropped 0.6% as well, dragged down primarily by banking sector shares (BRD -2.67%, TLV -1.04%) and Fondul Proprietatea (-1.09%). On the other side of Atlantic, US stock indices closed mostly lower too.

| Date   | PERIOD    | INDICATOR | FACT  | CONSENSUS PREVIOUS |       |
|--------|-----------|-----------|---|--------------------|-------|
| 29-Jan | Monday    | no data   |   |                    |       |
| 30-Jan | Tuesday   | December  | Licenses for residential buildings (YoY%)       | 8.1                | 26.6  |
|        |           | January   | Economic Sentiment Indicator                    | 103.3              | 103.8 |
|        |           | January   | Consumer Confidence Indicator                   | -26.4              | -25.1 |
| 31-Jan | Wednesday | December  | ILO unemployment rate (% , seasonally adjusted) | 4.6                | 4.7   |
| 1-Feb  | Thursday  | January   | FX Reserves (EUR bn)                            | 33.5               | 33.5  |
| 2-Feb  | Friday    | December  | Producer Price Index (YoY%)                     | 3.7                | 4.4   |
|        |           | December  | Tourists' overnight stays (YoY%)                | 11.5               | 7.1   |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds |     | 31-Jan-18  |         |         |         |  |  |
|---------------------------|-----|------------|---------|---------|---------|--|--|
| Investment funds          | ccy | last NAV/U | 1m%     | Ytd%    | 52W%    |  |  |
| OTP AvantisRO             | RON | 11.7652    | ↑ 6.19  | ↑ 6.19  | ↑ 23.06 |  |  |
| OTP Obligatiuni           | RON | 14.9997    | ↑ 0.34  | ↑ 0.34  | ↑ 2.10  |  |  |
| OTP ComodisRO             | RON | 17.3560    | ↑ 0.21  | ↑ 0.21  | ↑ 1.38  |  |  |
| OTP Euro Bond             | EUR | 12.8312    | ↓ -0.03 | ↓ -0.03 | ↑ 1.33  |  |  |
| OTP Dollar Bond           | USD | 11.0371    | ↑ 0.13  | ↑ 0.13  | ↑ 1.63  |  |  |
| OTP Premium Return        | RON | 11.9304    | ↑ 0.70  | ↑ 0.70  | ↑ 6.10  |  |  |
| OTP Euro Premium Return   | EUR | 10.0477    | ↑ 0.35  | ↑ 0.35  | ↑ 1.33  |  |  |
| OTP Global Mix            | RON | 11.8889    | ↑ 1.85  | ↑ 1.85  | ↑ 10.14 |  |  |

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