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# Daily Report – Romania

Date: 08.02.2018

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,067.56	↑ 0.66	↓ -3.02
BET-TR	10,848.50	↑ 0.65	↓ -3.03
BET-FI	40,817.15	↑ 0.02	↓ -3.94
BET-XT	763.66	↑ 0.57	↓ -3.35
BRD	13.34	↑ 3.41	↑ 1.52
SNG	33.00	→ 0.00	↓ -3.65
EL	11.90	→ 0.00	↓ -0.83
M	33.00	↑ 0.61	↓ -7.04
SNP	0.29	↑ 0.86	↓ -4.26

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.78	↑ 1.0	↑ 2.0
12 month	2.13	→ 0.0	↑ 4.5
3 year	3.47	↑ 2.5	↑ 9.0
5 year	3.95	↓ -0.5	↑ 11.5
10 year	4.53	↑ 0.5	↑ 9.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	4.9Y	RON 400 mn	RON 306.6 mn
Thursday	6.2Y	RON 300 mn	RON 386.7 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.35	↑ 17.0	↑ 20.0
3M ROBOR	2.03	↑ 4.0	↑ 6.0
6M ROBOR	2.33	↑ 6.0	↑ 8.0
1Y ROBOR	2.41	↑ 4.0	↑ 6.0
5Y CDS	77.44	↑ 0.4	↑ 0.4

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6553	↓ 0.00	↑ 0.06
USD/RON	3.8003	↑ 0.10	↑ 2.16
CHF/RON	4.0589	↑ 0.86	↑ 1.09
100HUF/RON	0.0149	↓ -0.33	↓ -0.75

Sources: Reuters, OTP Research

**Summary**

- Today the NBR reveals its new Inflation Report through a press conference.
- In 2017, Romania's trade gap widened by EUR 3 bn, to EUR 13 bn owing to rapidly increasing imports.
- In December, the growth rate of average net wages slowed to 11.7% YoY.
- Yesterday the EUR/RON finished unchanged.

Today the NBR will reveal its new Inflation Report in a press conference. According to the hints provided by governor Isarescu's speech following the [monetary policy](#) meeting, central bankers revised significantly upwards the short-term inflation outlook. We expect that the headline inflation will breach the 4% mark already in January, but after peaking in the middle of the year, consumer price growth may return into the tolerance band of the NBR (2.5% +/- 1%) at the end of 2018.

In 2017, Romania's trade deficit (FOB-CIF) increased to EUR 13.0 bn, the NIS said this morning. A year earlier, it stood at EUR 10.0 bn. The wider gap was primarily the result of swiftly surging imports (+12.2%). The gain of exports was also impressive (9.1%), as the revival of the EZ economy underpinned the growth, but it was not enough to keep pace with domestic-demand-fuelled imports.

In December, average net wages grew by 11.7% YoY, to RON 2,629, after posting 13.4% YoY gain in November. In MoM terms, wages grew by 0.6%, according to our in-house seasonally adjusted data. The deceleration in wage dynamics was due to the public sector, where salaries lost some momentum after registering extraordinary growth paces in the previous quarters (13.6% YoY vs. 21.4% YoY a month earlier). Wage statistics will remain in the limelight in the coming month too, as there are several uncertainties around the impact of transferring social security contributions (as of 1 January 2018) from employers to employees.

Yesterday the EUR/RON hovered around 4.65, ending the trading session unchanged, while other currencies in the CEE region lost ground compared to the euro. The EUR/USD inched slightly lower.

The Treasury sold more than planned in yesterday's bond auction (RON 387 mn vs RON 300 mn) amid healthy demand (RON 654 mn). The average accepted yield stood at 4.35%.

On Thursday, Bucharest's key index, the BET finished in the green zone (+0.7%), but opened with sharp losses today.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
5-Feb	Monday	December	Retail trade (YoY%)	13.4	11.4
6-Feb	Tuesday		no data		
<b>7-Feb</b>	<b>Wednesday</b>	<b>February</b>	<b>Base rate decision (%)</b>	<b>2.25</b>	<b>2.25</b>
8-Feb	Thursday		no data		
9-Feb	Friday	December	Net wage growth rate (YoY%)	11.7	13.4
		December	Industrial trade turnover index (YoY%)	11.4	13.0
		December	Index value of new orders in manufacturing (YoY%)	14.8	17.8
		December	Exports (FOB, YoY%)	4.2	8.9
		December	Imports (CIF, YoY%)	10.8	11.8

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		7-Feb-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.3827	↑	0.87	↑	2.74	↑ 17.94
OTP Obligatiuni	RON	15.0025	↑	0.21	↑	0.36	↑ 2.06
OTP ComodisRO	RON	17.3605	↑	0.20	↑	0.24	↑ 1.39
OTP Euro Bond	EUR	12.8253	↓	-0.20	↓	-0.08	↑ 1.23
OTP Dollar Bond	USD	11.0370	↑	0.09	↑	0.13	↑ 1.53
OTP Premium Return	RON	11.8235	↓	-0.78	↓	-0.20	↑ 4.81
OTP Euro Premium Return	EUR	9.8339	↓	-2.49	↓	-1.78	↓ -1.69
OTP Global Mix	RON	11.6902	↓	-1.03	↑	0.15	↑ 7.70

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