

## Headquarter Treasury Sales

**Ionut Constandache**

0372 31 85 86

ionut.constandache@otpbank.ro

**Corina Bejan**

0372 31 85 84

corina.bejan@otpbank.ro

**Anamaria Toma**

0372 31 85 85

anamaria.toma@otpbank.ro

**Cristian Bodirca**

0372 31 85 88

cristian.bodirca@otpbank.ro

## Regional Treasury Sales

**Szilamer Kozma - Cluj**

0755 000 400

szilamer.kozma@otpbank.ro

**Tudor Zaman - Bucuresti**

0755 000 199

tudor.zaman@otpbank.ro

**Alexandru Sabin - Arad**

0730 577 959

alexandru.sabin@otpbank.ro

**Andrei Sala - Brasov**

0755 000 015

andrei.sala@otpbank.ro



# Daily Report – Romania

Date: 09.02.2018

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,002.55	↓ -0.81	↓ -2.92
BET-TR	10,761.48	↓ -0.80	↓ -2.92
BET-FI	40,733.74	↓ -0.20	↓ -3.39
BET-XT	758.38	↓ -0.69	↓ -3.15
TLV	2.24	↓ -1.11	↓ -4.49
SNG	32.90	↓ -0.30	↓ -2.66
BRD	13.34	→ 0.00	↑ 0.91
TGN	399.00	↓ -1.24	↓ -4.32
SNP	0.29	↓ -0.85	↓ -3.81

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.84	↑ 6.0	↑ 7.0
12 month	2.13	↑ 0.5	↑ 3.0
3 year	3.46	↓ -0.5	↑ 4.5
5 year	3.96	↑ 1.5	↑ 6.5
10 year	4.53	↓ -0.5	↑ 4.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	12M	RON 500 mn	
Monday	13.6Y	RON 100 mn	
Thursday	5.4Y	RON 400 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.34	↓ -1.0	↑ 20.0
3M ROBOR	2.04	↑ 1.0	↑ 7.0
6M ROBOR	2.34	↑ 1.0	↑ 9.0
1Y ROBOR	2.44	↑ 3.0	↑ 9.0
5Y CDS	77.46	↑ 0.0	↑ 0.5

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6577	↑ 0.05	↑ 0.19
USD/RON	3.8067	↑ 0.17	↑ 2.11
CHF/RON	4.0493	↓ -0.24	↑ 1.08
100HUF/RON	0.0149	↓ -0.02	↓ -0.37

Sources: Reuters, OTP Research

**Summary**

- Headline inflation will break above the tolerance band soon, but it is expected to meet the target (2.5% +/- 1%) at the end of this year, the NBR said on Friday.
- Romania's industrial production picked up in Q4 2017.
- The turnover index of market services provided to the population rebounded in December.
- A series of important economic data will see the light of day this week.
- The leu weakened marginally on Friday.

On Friday, Romania's central bank published its new Inflation Report through a press conference. According to the document, headline inflation may accelerate to 5.1% in the middle of 2018. This is significantly higher than the previous forecast had projected. Nonetheless, the report also notes that consumer price inflation is expected to return into the tolerance band (2.5% +/- 1%) of the NBR at the end of this year.

In December, the production index of industry recorded a particularly strong gain (3.7% MoM, seasonally and working day adjusted data), a report of the NIS said this morning. Simultaneously, in annual terms, Romania's industrial production grew by 7.9% (gross data). December's strong pick-up helped the index to register 3.4% QoQ (SA) advance in the last quarter of 2017, after Q3's disappointing 0.4% QoQ loss. This outturn suggests that industry output had an important positive contribution to Q4's GDP growth. The flash estimate of the NIS about Q4 GDP data will be revealed on Wednesday. We recall that the revival of the Eurozone economy translated into healthy external demand, and accordingly a boost for Romanian manufacturers in 2017.

The turnover index of market services provided to the population also got momentum in December 2017, posting 3.3% MoM (SA data) and 20.1% YoY (gross data) gains. This came after a rather weak performance in the previous few months. In the period of September-November 2017, plunging consumer confidence was likely weighing on the indicator, but it seems that households shook off the worries and spent more during the holiday season.

This week, beside Q4 flash GDP data, the NIS will also reveal consumer price statistics for January. Meanwhile, the NBR will publish current account figures for December.

The leu ended Friday's trading session almost flat, after a failed attempt to appreciate. Stocks in Bucharest closed in negative territory, following a sell-off on Western European markets.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
12-Feb	Monday	December	Industrial production (YoY%)	7.9	9.2
		December	Turnover of market serv. provided to the population (YoY%)	20.1	18.3
13-Feb	Tuesday	December	CA balance (EUR mn, YTD)		-5,581
14-Feb	Wednesday	Q3 2017	Flash GDP growth rate (YoY%)	7.0	8.8
		January	Consumer price index (YoY%)	4.1	3.3
		December	Turnover of market serv. rendered mainly to enterp. (YoY%)		12.6
		December	Wholesale turnover index (YoY%)		7.6
		December	Construction works (YoY%)		-4.2
15-Feb	Thursday	January	New passenger car registrations (YoY%)		-25.3
16-Feb	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		8-Feb-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.3770	↑	0.37	↑	2.69	↑ 18.08
OTP Obligatiuni	RON	14.9981	↑	0.14	↑	0.33	↑ 2.01
OTP ComodisRO	RON	17.3604	↑	0.19	↑	0.24	↑ 1.38
OTP Euro Bond	EUR	12.8207	↓	-0.28	↓	-0.11	↑ 1.18
OTP Dollar Bond	USD	11.0399	↑	0.11	↑	0.16	↑ 1.54
OTP Premium Return	RON	11.8005	↓	-1.05	↓	-0.39	↑ 4.57
OTP Euro Premium Return	EUR	9.7773	↓	-3.17	↓	-2.35	↓ -2.40
OTP Global Mix	RON	11.5923	↓	-1.99	↓	-0.69	↑ 6.70

**Chief Economist****Gergely Tardos**

+36 1 3747273

[tardosg@otpbank.hu](mailto:tardosg@otpbank.hu)**Analyst****Csaba Bálint**

+4021 3075896

[csaba.balint@otpbank.ro](mailto:csaba.balint@otpbank.ro)

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