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# Daily Report – Romania

Date: 21.02.2018

**STOCK EXCHANGE**

|        | Close     | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET    | 8,281.28  | ↓ -0.31        | ↑ 1.40          |
| BET-TR | 11,137.74 | ↓ -0.30        | ↑ 1.41          |
| BET-FI | 41,498.68 | ↓ -0.95        | ↑ 0.19          |
| BET-XT | 782.51    | ↓ -0.47        | ↑ 1.02          |
| TLV    | 2.36      | → 0.00         | ↑ 2.61          |
| SNG    | 35.65     | ↑ 0.99         | ↑ 4.85          |
| FP     | 0.91      | ↓ -0.33        | ↑ 2.35          |
| SNP    | 0.30      | ↓ -1.14        | ↑ 2.01          |
| DIGI   | 35.00     | → 0.00         | ↓ -3.85         |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 2.05      | ↓ -1.0          | ↑ 3.5            |
| 12 month | 2.33      | ↓ -0.5          | ↑ 0.0            |
| 3 year   | 3.47      | ↓ -2.0          | ↓ -0.5           |
| 5 year   | 3.94      | ↓ -3.0          | ↓ -2.5           |
| 10 year  | 4.56      | ↓ -1.0          | ↑ 3.0            |

**GOV'T BOND AUCTIONS**

|          | Maturity | Auctions   | Sold       |
|----------|----------|------------|------------|
| Monday   | 2.7Y     | RON 500 mn | RON 500 mn |
| Thursday | 5.2Y     | RON 300 mn |            |

**MONEY MARKET**

|          | Rate (%/bp) | Daily chg (bp) | Weekly chg (bp) |
|----------|-------------|----------------|-----------------|
| ON ROBOR | 1.32        | → 0.0          | ↓ -1.0          |
| 3M ROBOR | 2.09        | → 0.0          | ↑ 3.0           |
| 6M ROBOR | 2.41        | ↑ 1.0          | ↑ 4.0           |
| 1Y ROBOR | 2.51        | ↑ 1.0          | ↑ 3.0           |
| 5Y CDS   | 76.81       | ↓ 0.0          | ↓ -0.7          |

**FX MARKET**

|            | Rate   | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON    | 4.6599 | ↓ -0.02        | ↓ -0.01         |
| USD/RON    | 3.7935 | ↑ 0.43         | ↑ 1.34          |
| CHF/RON    | 4.0396 | ↑ 0.10         | ↑ 0.21          |
| 100HUF/RON | 0.0149 | ↓ -0.25        | ↓ -0.21         |

Sources: Reuters, OTP Research

**Summary**

- In January, new commercial vehicle sales rebounded (+78% YoY).
- Yesterday the EUR/RON remained unchanged, but Romania's leu continued to weaken compared to the US dollar.
- Today the Treasury puts up for sale RON 300 mn debt.
- Romanian stocks mostly fell on Wednesday.

Following December's disappointment (-30.3% YoY), new commercial vehicle sales skyrocketed in the first month of this year, posting 77.6% annual increase. In absolute terms, the number of new registrations reached 2,467 units. The revival was quite broad-based, with all commercial vehicle segments pointing to significant increases in January. The registrations of new vans jumped 83.6% YoY, to 1,818 units. In the case of trucks, the growth rate was impressive as well (+55.2%, to 557), while the number of bus and coach registrations doubled too. We think that the unusual seasonal pattern may explain some portion of the strong pick-up. Moreover, it is also important to note that commercial vehicle data frequently point to large swings; even so, January's data correspond to a very impressive start of the year. In the EU, new registrations rose by 7.9% YoY last month.

Tomorrow non-government loan and deposit statistics for January will see the light of day.

Yesterday Romania's leu continued to be traded in a quite narrow range, close the 4.66 mark. Nonetheless, other currencies in the CEE region softened compared to the euro, with Poland's zloty recording the largest loss (0.6%). The leu weakened by 0.4% versus the US dollar, as the EUR/USD dipped lower yesterday. The greenback's rally was supported by the minutes of the latest Fed policy meeting. The document pointed out that the US economy was strong and further rate hikes may come in the following period.

On Wednesday, the yield curve of government securities shifted slightly lower, NBR fixing data showed. Today the Ministry of Finance plans to borrow RON 300 mn through bonds maturing in April 2023.

European stock markets closed yesterday's session mixed. Meanwhile, the main US equity benchmarks fell 0.3%-0.7%, as rising bond yields and the strengthening greenback weighed on the indices. In Bucharest, the key indices showed modest falls, with the BET giving up 0.3%.

| Date   | PERIOD    | INDICATOR | FACT  | CONSENSUS | PREVIOUS |
|--------|-----------|-----------|---|-----------|----------|
| 19-Feb | Monday    |           | no data                                     |           |          |
| 20-Feb | Tuesday   |           | no data                                     |           |          |
| 21-Feb | Wednesday |           | no data                                     |           |          |
| 22-Feb | Thursday  | January   | New commercial vehicle registrations (YoY%) | 77.6      | -30.0    |
| 23-Feb | Friday    | January   | Non-government loans (YoY%)                 |           | 5.6      |
|        |           | January   | Non-government deposits (YoY%)              |           | 10.4     |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds |     | 20-Feb-18  |         |   |       |   |       |
|---------------------------|-----|------------|---------|---|-------|---|-------|
| Investment funds          | ccy | last NAV/U | 1m%     |   | Ytd%  |   | 52W%  |
| OTP AvantisRO             | RON | 11.5103    | ↓ -2.25 | ↑ | 3.89  | ↑ | 17.33 |
| OTP Obligatiuni           | RON | 15.0045    | ↑ 0.18  | ↑ | 0.37  | ↑ | 1.96  |
| OTP ComodisRO             | RON | 17.3830    | ↑ 0.25  | ↑ | 0.37  | ↑ | 1.48  |
| OTP Euro Bond             | EUR | 12.8120    | ↓ -0.16 | ↓ | -0.18 | ↑ | 1.05  |
| OTP Dollar Bond           | USD | 11.0287    | ↑ 0.01  | ↑ | 0.06  | ↑ | 1.35  |
| OTP Premium Return        | RON | 11.8421    | ↓ -0.73 | ↓ | -0.04 | ↑ | 3.98  |
| OTP Euro Premium Return   | EUR | 9.8011     | ↓ -2.95 | ↓ | -2.11 | ↓ | -2.58 |
| OTP Global Mix            | RON | 11.7328    | ↓ -1.06 | ↑ | 0.51  | ↑ | 6.26  |

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