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Daily Report – Romania

Date: 05.03.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,384.01	↑ 0.38	↑ 0.06
BET-TR	11,274.35	↑ 0.38	↑ 0.05
BET-FI	42,075.35	↑ 1.09	↑ 1.06
BET-XT	791.70	↑ 0.52	↑ 0.24
TLV	2.44	↑ 1.25	↑ 1.88
SNG	35.30	↑ 0.14	↓ -0.98
TEL	24.40	↓ -0.81	↓ -0.41
SNP	0.31	→ 0.00	↓ -0.33
EL	11.54	↓ -0.35	↓ -0.52

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.05	↑ 1.0	↓ -1.0
12 month	2.32	↑ 0.5	↓ -1.0
3 year	3.43	↑ 3.0	↓ -0.5
5 year	4.12	↑ 12.5	↑ 18.0
10 year	4.57	↑ 2.0	↑ 7.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	13.5Y	RON 100 mn	RON 0 mn
Monday	12M	RON 500 mn	RON 500 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.35	→ 0.0	↑ 1.0
3M ROBOR	2.08	↓ -1.0	↓ -1.0
6M ROBOR	2.41	↓ -2.0	↓ -1.0
1Y ROBOR	2.54	→ 0.0	↑ 2.0
5Y CDS	76.90	↓ -0.2	↓ -0.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6598	↓ -0.02	↑ 0.03
USD/RON	3.7744	↓ -0.22	↓ -0.19
CHF/RON	4.0155	↓ -0.48	↓ -0.37
100HUF/RON	0.0148	↓ -0.24	↓ -0.20

Sources: Reuters, OTP Research

Summary

- Yesterday, the EUR/RON was traded in a narrow range, ending the day practically flat.
- The Ministry of Finance sold the planned RON 500 mn in 1Y bills, but rejected all bids on the 13.5Y bond tender.
- The ROBOR 3M eased marginally.
- On Monday, Bucharest's BET index gained 0.4%, in line with its key Western European peers.

In the morning hours on Monday, the news about Italian elections weighed on the euro. On the other hand, investors welcomed the German coalition agreement, which helped the euro strengthen against the greenback and the Swiss franc. Despite the improving mood, the CEE region's currencies mostly lost ground against the euro. The EUR/RON also inched somewhat higher, nevertheless the leu was able to recover the losses, with the cross ending the trading session flat, near 4.66.

The Ministry of Finance borrowed 500 mn lei from banks by issuing treasury certificate. Commercial banks subscribed for RON 998.5 mn, while the average accepted yield stood at 2.38%. A second issue of bonds with maturity in 2031 failed because of high bid prices.

The interbank money market rates showed small changes with the ROBOR 3M and ROBOR 6M easing one and two basis points (to 2.08% and 2.41% respectively). We recall that the central bank lifted the policy rate in January and February by 25 basis points each time to 2.25%. Nonetheless, excess liquidity on the money market helped the ROBOR3M stay below the benchmark rate.

As trade-war worries eased, the US stock exchanges closed in positive territory. Simultaneously the majority of the key European equity benchmarks climbed higher. Romanian stocks followed the general trend seen in the USA and Europe. Italian stock benchmarks fell due to the uncertainties coming from the political scene.

Tomorrow morning, the National Institute of Statistics will publish detailed Q4 GDP data.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
5-Mar	Monday	January	Retail trade (YoY%)	11.1	13.4
6-Mar	Tuesday		no data		
7-Mar	Wednesday	Q4 2017	Detailed GDP growth rate (YoY%, provisional data)		6.9
8-Mar	Thursday		no data		
9-Mar	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		2-Mar-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.4193	↓	-1.80	↑	3.07	↑ 16.74
OTP Obligatiuni	RON	15.0131	↑	0.10	↑	0.43	↑ 1.95
OTP ComodisRO	RON	17.3967	↑	0.23	↑	0.45	↑ 1.52
OTP Euro Bond	EUR	12.8067	↓	-0.16	↓	-0.22	↑ 0.95
OTP Dollar Bond	USD	11.0272	↓	-0.05	↑	0.04	↑ 1.19
OTP Premium Return	RON	11.8133	↓	-0.50	↓	-0.29	↑ 3.66
OTP Euro Premium Return	EUR	9.7146	↓	-2.80	↓	-2.98	↓ -2.46
OTP Global Mix	RON	11.6190	↓	-1.41	↓	-0.46	↑ 4.99

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