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# Daily Report – Romania

Date: 07.03.2018

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,443.16	↑ 0.12	↓ -0.11
BET-TR	11,354.98	↑ 0.13	↓ -0.11
BET-FI	41,946.15	↓ -0.31	↓ -0.03
BET-XT	795.94	↑ 0.02	↓ -0.16
FP	0.93	↑ 0.22	↑ 0.43
SNG	36.20	↑ 0.70	↓ -0.82
TLV	2.46	→ 0.00	↑ 0.20
EL	12.14	↑ 2.88	↑ 5.57
BRD	14.00	↓ -0.57	→ 0.00

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.04	→ 0.0	↓ -0.5
12 month	2.32	→ 0.0	↑ 0.5
3 year	3.38	↓ -3.5	↓ -2.5
5 year	4.15	↑ 1.5	↑ 22.5
10 year	4.57	↓ -0.5	↑ 10.5

**GOV'T BOND AUCTIONS**

Maturity	Auctions	Sold
Monday 13.5Y	RON 100 mn	RON 0 mn
Monday 12M	RON 500 mn	RON 500 mn
Thursday 3.5Y	RON 400 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.35	↑ 1.0	→ 0.0
3M ROBOR	2.08	→ 0.0	↓ -1.0
6M ROBOR	2.41	→ 0.0	↓ -2.0
1Y ROBOR	2.53	↓ -1.0	→ 0.0
5Y CDS	76.87	↑ 0.0	↑ 0.1

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6216	↓ -0.85	↓ -0.74
USD/RON	3.7238	↓ -0.90	↓ -2.49
CHF/RON	3.9823	↓ -0.31	↓ -1.50
100HUF/RON	0.0148	↓ -0.59	↓ -0.18

Sources: Reuters, OTP Research

**Summary**

- Yesterday the European Commission warned Romania about the risk of a potential hard landing.
- The EUR/RON finished the day practically flat.
- Interbank liquidity improved in February.
- The BET increased marginally.

The European Commission warned Romania that in the absence of structural reforms and fiscal consolidation, the country risks a hard landing scenario. Brussels also noted that Romania made limited progress on country-specific recommendations.

There were no major changes in the EUR/RON exchange rate yesterday. The Polish central bank decided to keep interest rates at record low. Policy makers also said that the first interest rate hike might come a year later than had been earlier expected. The news sent the zloty plunging against the euro and the other CEE currencies. It seems that neither the Polish nor the Hungarian central banks worry about the rising inflation. We recall that Mr. Isarescu hinted earlier that the NBR would pay special attention to what other central banks do.

Today the ECB holds its March rate-setting meeting. Investors may focus on whether the ECB changes his language on monetary stimulus.

Investors worried about Gary D. Cohn's decision to leave Mr. Trump's economic advisor team. His move came after the President announced tariffs on steel and aluminium imports.

The NBR published its monthly bulletin yesterday. In February commercial banks held RON 19.9 bn in the NBR's deposit facility, up from RON 14.7 bn a month earlier. The excess liquidity on the market helps ROBOR rates to stay at relatively low level.

Yesterday the BET, the key index of the Bucharest Stock Exchange climbed slightly higher, with the shares of Electrica registering the largest gain (2.9%). In Europe, the positive trading sentiment supported the main equity benchmarks.

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	6.9
8-Mar	Thursday		no data		
9-Mar	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		6-Mar-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	11.5625	↑ 2.35	↑ 4.36	↑ 17.58		
OTP Obligatiuni	RON	15.0163	↑ 0.10	↑ 0.45	↑ 1.95		
OTP ComodisRO	RON	17.4003	↑ 0.23	↑ 0.47	↑ 1.52		
OTP Euro Bond	EUR	12.8040	↓ -0.16	↓ -0.24	↑ 0.92		
OTP Dollar Bond	USD	11.0275	↓ -0.07	↑ 0.05	↑ 1.15		
OTP Premium Return	RON	11.8407	↑ 0.09	↓ -0.05	↑ 3.89		
OTP Euro Premium Return	EUR	9.7347	↓ -0.43	↓ -2.77	↓ -1.46		
OTP Global Mix	RON	11.7116	↑ 0.44	↑ 0.33	↑ 5.94		

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