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Daily Report – Romania

Date: 09.03.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,477.18	↑ 0.07	↑ 1.50
BET-TR	11,400.39	↑ 0.07	↑ 1.50
BET-FI	41,764.67	↓ -0.15	↑ 0.34
BET-XT	797.87	↑ 0.02	↑ 1.30
TLV	2.49	↑ 0.41	↑ 2.70
SNG	36.60	→ 0.00	↑ 3.26
TEL	24.65	↓ -0.20	↑ 0.41
BRD	14.70	↓ -0.28	↑ 2.46
TGN	406.00	↑ 0.25	↓ -0.49

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.03	↓ -1.0	↓ -1.0
12 month	2.31	↓ -0.5	↓ -1.0
3 year	3.34	↓ -3.0	↓ -6.0
5 year	4.16	→ 0.0	↑ 17.0
10 year	4.59	↑ 0.5	↑ 4.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5Y	RON 400 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.35	→ 0.0	→ 0.0
3M ROBOR	2.06	↓ -2.0	↓ -3.0
6M ROBOR	2.39	↓ -2.0	↓ -4.0
1Y ROBOR	2.53	→ 0.0	↓ -1.0
5Y CDS	76.83	↓ 0.0	↓ -0.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6583	↑ 0.03	↓ -0.05
USD/RON	3.7851	↑ 0.07	↑ 0.06
CHF/RON	3.9793	↑ 0.08	↓ -1.38
100HUF/RON	0.0149	↑ 0.07	↑ 0.59

Sources: Reuters, OTP Research

Summary

- Romania may adopt the euro in 2024.
- In January 2017, Romania's trade deficit continued to widen, as imports grew faster than exports.
- The EUR/RON finished last week near 4.66.
- Today the MoF plans to sell RON 400 mn debt.

The Social Democratic Party (PSD) held an extraordinary congress on Saturday, electing Prime Minister Viorica Dancila as executive president of the PSD. The congress also voted a 2024 target date to adopt the euro.

In January, the export of goods (FOB) grew swiftly, posting 15.9% YoY advance after December's 4.2% YoY gain, suggesting that external demand remained strong. Nevertheless, the growth rate of imports (17.3% YoY, CIF) outpaced again that of exports, resulting in a wider trade deficit (EUR 775 mn, up from EUR 605 mn in January 2017). We [recall](#) that imports grew quite rapidly in the past few years on the back of reviving domestic demand.

Tomorrow morning the NIS will publish consumer price statistics for February as well as average wage data for January.

Optimism ruled Friday's trading session, after US Labor Department published fresh payroll statistics. According to the report, the US economy added 313,000 new jobs in February, exceeding the market's expectations. On the other hand, wage growth slowed down, easing investors' worries about fast interest rate hikes of the Fed. The EUR/USD showed little variation, while the CEE region's currencies changed mixed and the EUR/RON remained close to 4.66.

Today the Ministry of Finance puts up for sale RON 400 mn bonds maturing in June 2023.

The US stock markets rose sharply on Friday, after the favourable labour market data. European equity benchmarks also registered modest gains with the exception of the DAX (-0.1%). In Bucharest, the key indices pointed to small changes with the BET adding 0.1%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
12-Mar	Monday	January	Exports (FOB, YoY%)	15.9	4.2
		January	Imports (CIF, YoY%)	17.3	10.8
13-Mar	Tuesday	February	Consumer price index (YoY%)		4.7
		January	Net wage growth rate (YoY%)		11.7
14-Mar	Wednesday		no data		
15-Mar	Thursday		no data		
16-Mar	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		8-Mar-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	11.6277	↑ 2.20	↑ 4.95	↑ 18.41		
OTP Obligatiuni	RON	15.0187	↑ 0.14	↑ 0.46	↑ 1.98		
OTP ComodisRO	RON	17.4022	↑ 0.24	↑ 0.48	↑ 1.53		
OTP Euro Bond	EUR	12.8029	↓ -0.14	↓ -0.25	↑ 0.92		
OTP Dollar Bond	USD	11.0254	↓ -0.13	↑ 0.03	↑ 1.16		
OTP Premium Return	RON	11.8728	↑ 0.61	↑ 0.22	↑ 4.07		
OTP Euro Premium Return	EUR	9.7248	↓ -0.54	↓ -2.87	↓ -1.44		
OTP Global Mix	RON	11.7751	↑ 1.58	↑ 0.88	↑ 6.24		

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