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Daily Report – Romania

Date: 13.03.2018

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET | 8,608.30 | ↑ 0.57 | ↑ 2.08 |
| BET-TR | 11,576.77 | ↑ 0.58 | ↑ 2.08 |
| BET-FI | 41,530.67 | ↓ -0.06 | ↓ -1.30 |
| BET-XT | 807.25 | ↑ 0.44 | ↑ 1.44 |
| BRD | 14.74 | ↑ 0.68 | ↑ 4.69 |
| SNG | 37.10 | ↑ 0.82 | ↑ 3.20 |
| TLV | 2.54 | ↑ 1.20 | ↑ 3.26 |
| SNP | 0.31 | → 0.00 | ↑ 0.82 |
| FP | 0.93 | ↑ 0.54 | ↑ 0.32 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 1.98 | ↓ -4.0 | ↓ -6.0 |
| 12 month | 2.25 | ↓ -4.0 | ↓ -7.5 |
| 3 year | 3.23 | ↓ -5.5 | ↓ -18.5 |
| 5 year | 4.12 | ↓ -1.5 | ↓ -1.5 |
| 10 year | 4.56 | ↓ -1.0 | ↓ -1.5 |

GOV'T BOND AUCTIONS

| Maturity | Auctions | Sold |
|----------|-----------------|------------|
| Monday | 5.3Y RON 400 mn | RON 400 mn |

MONEY MARKET

| | Rate (%/bp) | Daily chg (bp) | Weekly chg (bp) |
|----------|-------------|----------------|-----------------|
| ON ROBOR | 1.33 | → 0.0 | ↓ -1.0 |
| 3M ROBOR | 2.05 | ↓ -1.0 | ↓ -3.0 |
| 6M ROBOR | 2.37 | ↓ -2.0 | ↓ -4.0 |
| 1Y ROBOR | 2.51 | ↓ -2.0 | ↓ -3.0 |
| 5Y CDS | 76.54 | ↓ -0.1 | ↓ -0.3 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|------------|--------|----------------|-----------------|
| EUR/RON | 4.6728 | ↑ 0.24 | ↑ 0.25 |
| USD/RON | 3.7678 | ↓ -0.30 | ↑ 0.27 |
| CHF/RON | 3.9905 | ↑ 0.07 | ↓ -0.10 |
| 100HUF/RON | 0.0150 | ↑ 0.18 | ↑ 0.50 |

Sources: Reuters, OTP Research

Summary

- In January, Romania's industrial production index lost impetus; nonetheless, the evolution of new orders in manufacturing provided reason for optimism.
- Yesterday the EUR/RON was traded close to 4.66; the greenback weakened.
- Government securities' yields decreased.
- The BET continued to rally, despite the global headwinds.

In January, Romania's industrial output fell by 2.8% on month-over-month basis (seasonally and working day adjusted data), a NIS report showed this morning. At the same time, the annual growth rate of industrial production slowed to 8.5%, versus December's 9.0%, the NIS also said. January's setback was quite broad-based, as all of the main sub-indices (manufacturing, mining and quarrying as well as energy) pointed to weaker performance. Nonetheless, it is important to add that this slowdown came after a particularly strong outturn in December.

In contrast with January's disappointing industrial production data, the index of new orders in manufacturing got momentum, pointing to 21.5% YoY growth rate, after 13.6% YoY gain.

Yesterday global financial markets were driven by the US February inflation report, which met analysts' expectation and by the news that US President Trump ousts Mr Tillerson, the Secretary of State, which affected negatively the USD against the EUR. The EUR/RON showed no major variance, ending the regular trading hours around 4.66.

On Tuesday, government securities' yield curve shifted 1-6 basis points lower, with the yield on the 3Y maturity posting the largest fall. At the same time, interbank interest rates mostly eased too. The ROBOR 3M, the main benchmark for loans with variable interest rate, decreased to 2.05%.

The international stock exchanges ended Tuesday's trading in negative territory. Nonetheless, the Bucharest Stock Exchange continued to rally (+0.6%), reaching 8,608 points. This level corresponds to a new maximum in 2018.

| 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 | 4.7 | 4.3 |
| | | January | Net wage growth rate (YoY%) | 8.0 | | 11.7 |
| 14-Mar | Wednesday | January | Industrial production (YoY%) | 8.5 | | 9.0 |
| | | January | Industrial trade turnover index (YoY%) | 20.7 | | 11.0 |
| | | January | Index value of new orders in manufacturing (YoY%) | 21.5 | | 13.6 |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds | | 12-Mar-18 | | | | | |
|---------------------------|-----|------------|---|-------|---|-------|---------|
| Investment funds | ccy | last NAV/U | | 1m% | | Ytd% | 52W% |
| OTP AvantisRO | RON | 11.6654 | ↑ | 2.11 | ↑ | 5.29 | ↑ 18.43 |
| OTP Obligatiuni | RON | 15.0268 | ↑ | 0.20 | ↑ | 0.52 | ↑ 2.09 |
| OTP ComodisRO | RON | 17.4058 | ↑ | 0.23 | ↑ | 0.50 | ↑ 1.54 |
| OTP Euro Bond | EUR | 12.8062 | ↓ | -0.06 | ↓ | -0.23 | ↑ 1.04 |
| OTP Dollar Bond | USD | 11.0293 | ↓ | -0.03 | ↑ | 0.06 | ↑ 1.24 |
| OTP Premium Return | RON | 11.8849 | ↑ | 0.59 | ↑ | 0.32 | ↑ 4.27 |
| OTP Euro Premium Return | EUR | 9.7418 | ↓ | -0.22 | ↓ | -2.70 | ↓ -0.92 |
| OTP Global Mix | RON | 11.8424 | ↑ | 1.80 | ↑ | 1.45 | ↑ 6.85 |

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