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Daily Report – Romania

Date: 20.03.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,731.99	↓ -0.49	↑ 1.44
BET-TR	11,741.77	↓ -0.50	↑ 1.43
BET-FI	41,696.39	↑ 0.35	↑ 0.40
BET-XT	816.39	↓ -0.35	↑ 1.13
TLV	2.65	↓ -1.12	↑ 4.54
FP	0.94	↑ 0.11	↑ 0.75
BRD	15.20	↓ -1.04	↑ 3.12
SNG	36.75	↓ -1.08	↓ -0.94
SNP	0.31	↑ 0.49	↑ 0.81

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.93	↓ -2.0	↓ -5.5
12 month	2.22	⇒ 0.0	↓ -3.0
3 year	3.18	↑ 1.5	↓ -5.0
5 year	3.96	⇒ 0.0	↓ -16.0
10 year	4.44	↑ 0.5	↓ -11.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	6.0Y	RON 400 mn	RON 473 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.32	⇒ 0.0	↓ -1.0
3M ROBOR	2.03	⇒ 0.0	↓ -2.0
6M ROBOR	2.37	⇒ 0.0	⇒ 0.0
1Y ROBOR	2.51	⇒ 0.0	⇒ 0.0
5Y CDS	79.11	↑ 2.7	↑ 2.6

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6655	↓ -0.03	↑ 0.06
USD/RON	3.8115	↑ 0.76	↑ 1.16
CHF/RON	3.9847	↑ 0.15	↓ -0.15
100HUF/RON	0.0150	↓ -0.10	↑ 0.04

Sources: Reuters, OTP Research

Summary

- A new bill proposes that lease contracts should be no longer enforceable.
- Yesterday Romania's leu stuck in a tight range against the euro.
- Interbank money market rates were little changed.
- The BET is in correction phase.

According to a bill, which may be also supported by the ruling coalition, lease contracts in Romania would be no longer enforceable. Meanwhile, debtors will be able to sell the leased property, even if they are not its owners. The representatives of leasing companies claim that such provisions are set to encourage non-payment and moral hazard attitude.

On Tuesday the Romanian leu stuck in a tight range, ending the day slightly below 4.67. At the same time, the euro weakened against the greenback as investors turned their attention to the Fed's rate setting meeting, which will be concluded today, as well as to the weaker-than-expected German sentiment data. The Federal Reserve is expected to lift its benchmark rate by 25 basis points today. Investors will also seek any hints about future rate hikes of the Fed. In the CEE region, Poland's zloty and the Hungarian forint weakened slightly compared to the euro.

Interbank money market rates showed little (the ROBOR 1W and 1M increased by one basis point) or no variation.

After testing a new post-crisis maximum on Friday, the BET is in correction phase. Despite the rising European equity indices, the BET closed in the red, losing 0.5%. The latest rally was supported mainly by bank shares, the current correction is also led by these companies. Yesterday the BRD and the TLV lost more than 1%. On the Wall Street, the energy sector helped the key benchmarks to recover the losses registered earlier, as oil prices settled at the highest levels of the month.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
19-Mar	Monday		no data		
20-Mar	Tuesday		no data		
21-Mar	Wednesday		no data		
22-Mar	Thursday	February	New commercial vehicle registrations (YoY%)		77.6
23-Mar	Friday	February	Non-government loans (YoY%)		6.8
		February	Non-government deposits (YoY%)		12.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		16-Mar-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.8057	↑	2.21	↑	6.56	↑ 19.11
OTP Obligatiuni	RON	15.0312	↑	0.20	↑	0.55	↑ 2.08
OTP ComodisRO	RON	17.4107	↑	0.21	↑	0.53	↑ 1.55
OTP Euro Bond	EUR	12.8063	↓	-0.06	↓	-0.23	↑ 1.06
OTP Dollar Bond	USD	11.0208	↑	0.00	↓	-0.01	↑ 1.13
OTP Premium Return	RON	11.8841	↑	0.15	↑	0.31	↑ 4.29
OTP Euro Premium Return	EUR	9.7367	↓	-0.93	↓	-2.75	↓ -1.88
OTP Global Mix	RON	11.8264	↑	0.59	↑	1.32	↑ 6.78

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