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Daily Report – Romania

Date: 10.04.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,841.74	↓ -0.22	↑ 1.46
BET-TR	11,886.25	↓ -0.22	↑ 1.44
BET-FI	40,957.90	↑ 0.04	↑ 0.55
BET-XT	822.23	↓ -0.19	↑ 1.17
TLV	2.61	↓ -2.25	↓ -0.38
BRD	15.36	↑ 0.39	↑ 1.72
SNP	0.33	↑ 0.45	↑ 4.72
FP	0.97	↑ 1.15	↑ 3.53
SNG	37.95	↓ -0.13	↑ 0.53

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	1.88	↓ -1.5	↓ -2.5
12 month	2.21	↓ -1.0	↓ -2.0
3 year	3.08	↓ -5.0	↓ -11.0
5 year	3.89	↓ -2.5	↓ -6.0
10 year	4.39	↓ -2.0	↓ -5.5

GOV'T BOND AUCTIONS

Maturity	Auctions	Sold

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.42	↓ -5.0	↓ -14.0
3M ROBOR	2.09	↓ -1.0	↑ 1.0
6M ROBOR	2.41	→ 0.0	↑ 2.0
1Y ROBOR	2.52	→ 0.0	→ 0.0
5Y CDS	78.88	↓ -0.1	↑ 0.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6565	↓ -0.16	↓ -0.05
USD/RON	3.7685	↓ -0.43	↓ -0.77
CHF/RON	3.9383	↓ -0.51	↓ -0.55
100HUF/RON	0.0150	↓ -0.12	↑ 0.11

Sources: Reuters, OTP Research

Summary

- In February, average net wages posted 11.2% YoY gain, up from January's 8.0% advance.
- On Tuesday, the Romanian leu strengthened compared to the euro.
- Short-term ROBOR rates dropped a few basis points.
- The BET closed in the red despite the optimistic trading sentiment on global equity markets.

In February, average net wages increased by 11.2% YoY, reaching RON 2,487, the NIS said this morning. A month earlier, net wages posted 8.0% annual gain. It is worth mentioning that in the second month of 2018, gross wages grew by 32.8% YoY, an extremely strong advance, reflecting employers' efforts to offset the negative impact coming from the transfer of social contributions. In real terms, average net wages grew by 6.2% YoY, after [consumer prices](#) rebounded in the past few quarters. February's 6.2% YoY real growth pace is higher than a month earlier (3.5% YoY), but it is significantly lower than 2017's average of around 13%, suggesting that household's consumption may have lost some steam in the following period, after last year's stellar advance.

Yesterday the Romanian leu strengthened compared to the euro. The other currencies of the CEE region also firmed. At the same time, the greenback weakened against the common European currency as the risk appetite improved on global financial markets.

Short-term (up to 3M) interbank money market rates dropped a few basis points. We recall that last week the NBR left the [policy rate](#) unchanged at 2.25%, surprising the market. According to a Reuters survey, analysts had expected a quarter-percentage-point hike.

The BET closed in the red, dragged down by the shares of the TLV, which lost more than 2%. Romania's second largest commercial bank revealed that it would sell a non-performing loan portfolio in value of EUR 124 mn. Yesterday global trading sentiment was optimistic, driven by easing trade war fears.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
10-Apr	Tuesday	February	Exports (FOB, YoY%)	7.6	15.9
		February	Imports (CIF, YoY%)	10.7	17.3
11-Apr	Wednesday	February	Net wage growth rate (YoY%)	11.2	8.0
12-Apr	Thursday	March	Consumer price index (YoY%)		4.7
		February	Industrial production (YoY%)		8.5
		February	Industrial trade turnover index (YoY%)		20.7
		February	Index value of new orders in manufacturing (YoY%)		21.5
13-Apr	Friday	February	CA balance (EUR mn, YTD)		216
		February	Turnover of market serv. provided to the population (YoY%)		9.7
		February	Construction works (YoY%)		7.8

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		5-Apr-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.6143	↑	1.04	↑	4.83	↑ 14.50
OTP Obligatiuni	RON	15.0476	↑	0.21	↑	0.66	↑ 2.02
OTP ComodisRO	RON	17.4282	↑	0.16	↑	0.63	↑ 1.58
OTP Euro Bond	EUR	12.8071	↑	0.01	↓	-0.22	↑ 0.98
OTP Dollar Bond	USD	11.0126	↓	-0.13	↓	-0.09	↑ 0.93
OTP Premium Return	RON	11.8144	↑	0.09	↓	-0.28	↑ 3.07
OTP Euro Premium Return	EUR	9.7444	↑	0.27	↓	-2.68	↓ -2.06
OTP Global Mix	RON	11.6799	↑	0.20	↑	0.06	↑ 5.05

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