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Daily Report – Romania

Date: 17.04.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,926.65	↑ 0.26	↑ 0.96
BET-TR	11,998.82	↑ 0.26	↑ 0.95
BET-FI	40,444.68	↑ 0.09	↓ -1.25
BET-XT	826.99	↑ 0.25	↑ 0.58
BRD	15.74	↑ 1.16	↑ 2.47
TLV	2.64	→ 0.00	↑ 1.15
TGN	418.00	↑ 2.20	↑ 3.98
FP	0.97	→ 0.00	↑ 0.31
SNG	37.25	↓ -0.13	↓ -1.84

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.16	↓ -1.5	↑ 28.0
12 month	2.42	↓ -3.0	↑ 21.0
3 year	3.10	↓ -4.0	↑ 2.0
5 year	3.92	↓ -5.0	↑ 3.5
10 year	4.44	↓ -6.0	↑ 5.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	10.0Y	RON 200 mn	RON 0 mn
Monday	12M	RON 600 mn	RON 0 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.90	↓ -1.0	↑ 48.0
3M ROBOR	2.13	→ 0.0	↑ 4.0
6M ROBOR	2.46	→ 0.0	↑ 5.0
1Y ROBOR	2.58	↑ 1.0	↑ 6.0
5Y CDS	79.06	↓ 0.0	↑ 0.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6442	↑ 0.05	↓ -0.26
USD/RON	3.7547	↑ 0.13	↓ -0.37
CHF/RON	3.8870	↓ -0.48	↓ -1.30
100HUF/RON	0.0150	↓ -0.04	↑ 0.00

Sources: Reuters, OTP Research

Summary

- In 2018, Romania's economy may increase by 5.1%, an IMF report said.
- In March, new passenger car sales surged 17.5% YoY.
- Romania's leu weakened slightly.
- ROBOR rates stabilized after a sharp rise.
- The BET closed in green, in line with the major indices.

Yesterday the IMF published its new World Economic Outlook report. Its experts have found that the global economic upswing, which began around the middle of 2016 and has become broader and stronger, may continue in the following period too. At global level, GDP growth rate is projected to reach 3.9% in 2018 and 2019, after last year's 3.8%, the report said. At the same time, the IMF improved Romania's growth outlook for this year to 5.1% (vs. 4.4% earlier). Nonetheless, the country's economy may lose some momentum, pointing to 3.5% increase in 2019, the IMF also noted. At the end of March, the IMF encouraged Romania's decision makers to implement fiscal consolidation and to continue the monetary tightening cycle in order to avert the overheating of the economy.

In March, the number of new passenger car registrations increased by 17.5% YoY, to 8,122 units, the ACEA (European Automobile Manufacturers Association) said this morning. March's data corresponds to a pick-up after February's 5.7% YoY growth. In month-over-month comparison, new car sales rose by 6.0%, our in-house estimation found.

After the Monday's strengthening, the Romanian leu weakened slightly compared the euro. Elsewhere in the CEE region, currencies also lost some ground against the euro. Yesterday the ROBOR rates stabilized after Monday's sharp rise. It is important to note that the NBR organized a deposit tender on Monday, the first such operation since the beginning of 2011, in order to absorb the excess liquidity and bring money market rates closer to the policy rate (2.25%).

The BET (+0.3%) closed in the green, in line with the major international stock exchanges. TGN was one of the best performers as the major shareholder, the Ministry of Economy requested to distribute gross dividend of RON 45.38/share. Optimism prevailed on the Wall Street as first-quarter earnings season remained in the focus. Netflix reported encouraging results, and analysts expect a strong quarter for other companies as well. The bright trading sentiment spilled over into Europe, the continental stocks ended the day at seven-week high.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
16-Apr	Monday	February	Turnover of market serv. rendered mainly to enterp. (YoY%)	5.0	15.5
		February			
17-Apr	Tuesday		no data		
18-Apr	Wednesday	March	New passenger car registrations (YoY%)	17.5	5.7
19-Apr	Thursday		no data		
20-Apr	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		16-Apr-18					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	11.5447	↓ -2.21	↑	4.20	↑	13.73
OTP Obligatiuni	RON	15.0603	↑ 0.19	↑	0.74	↑	2.03
OTP ComodisRO	RON	17.4360	↑ 0.15	↑	0.67	↑	1.60
OTP Euro Bond	EUR	12.8145	↑ 0.06	↓ -0.16		↑	0.98
OTP Dollar Bond	USD	11.0201	↓ -0.01	↓ -0.02		↑	0.97
OTP Premium Return	RON	11.8563	↓ -0.23	↑ 0.08		↑	3.24
OTP Euro Premium Return	EUR	9.7611	↑ 0.25	↓ -2.51		↓	-2.35
OTP Global Mix	RON	11.7377	↓ -0.75	↑ 0.56		↑	5.64

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