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Daily Report – Romania

Date: 19.04.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,952.47	↑ 0.21	↑ 0.27
BET-TR	12,033.07	↑ 0.21	↑ 0.27
BET-FI	40,008.43	↓ -0.84	↓ -1.81
BET-XT	828.68	↑ 0.01	↑ 0.11
FP	0.96	↑ 0.10	↓ -1.44
SNP	0.35	↑ 1.16	↑ 0.72
EL	11.48	↓ -0.17	↓ -0.69
SIF3	0.23	↓ -0.44	↑ 0.67
EPT	0.02	↔ 0.00	↔ 0.00

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.13	↓ -2.5	↑ 24.5
12 month	2.39	↓ -2.0	↑ 18.0
3 year	3.11	↑ 2.5	↑ 7.5
5 year	3.92	↑ 1.5	↑ 3.0
10 year	4.40	↑ 1.5	↔ 0.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	10.0Y	RON 200 mn	RON 0 mn
Monday	12M	RON 600 mn	RON 0 mn
Thursday	3.5Y	RON 500 mn	RON 514 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.48	↓ -7.0	↑ 9.0
3M ROBOR	2.12	↓ -1.0	↑ 5.0
6M ROBOR	2.46	↔ 0.0	↑ 4.0
1Y ROBOR	2.58	↔ 0.0	↑ 5.0
5Y CDS	79.04	↓ 0.0	↑ 0.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6583	↑ 0.11	↓ -0.05
USD/RON	3.7729	↑ 0.33	↓ -0.25
CHF/RON	3.8832	↑ 0.01	↓ -1.17
100HUF/RON	0.0150	↑ 0.13	↑ 0.30

Sources: Reuters, OTP Research

Summary

- The Romanian leu ended the day close to 4.66.
- The MoF sold RON 514 mn of 3.5Y bonds, above plan.
- BET hit a new post-crisis maximum.

Yesterday the Romanian leu weakened against the euro, ending the day a touch below 4.66. We recall that on Monday the leu firmed significantly (0.4%), supported by the NBR's tightening measures. Nonetheless, the cross gradually returned to the levels seen in the previous weeks. In the past few days, the EUR/CZK showed a similar pattern, with the Koruna weakening modestly, including yesterday's trading session as well. Yesterday the Polish zloty and the Hungarian forint were traded near Wednesday's closing price. At the same time, the USD appreciated against the EUR, buoyed by the advancing US bond yields.

The Ministry of Finance sold more than planned in 3.5Y bonds (RON 514 mn vs. RON 500 mn), after primary dealers subscribed for RON 544 mn. The average accepted yield stood at 3.56%, down from 3.88% on a previous auction with the same ISIN in March.

On Thursday, overnight ROBOR eased by seven basis points as the end of the reserve maintenance period is approaching. However, 1M-12M ROBOR rates pointed to modest changes. We note that the NBR organized a deposit tender on Monday, absorbing RON 18.7 bn excess liquidity from the market in order to bring money market rates closer to the policy rate (2.25%).

Yesterday the BET advanced 0.2% and hit a new post-crisis maximum. The BRD announced that it would distribute 83% of last year's net profit in form of dividends. Although the payout ratio was in line with expectations, the shares of the bank lost 0.3%. As the price of the crude oil surged further, the SNP (+1.2%), Romania's largest oil producer, climbed higher too. Meanwhile, the key European stock indices closed mixed and on the Wall Street the main indices ended in red. In the past few days, earnings updates usually overshadowed the fears of geopolitical tensions and trade war. Nevertheless, several corporate results disappointed yesterday. In addition, signs that the US business cycle may have peaked and bond yields also started to rise undermined the stock market performance.

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		18-Apr-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.5930	↓	-1.80	↑	4.64	↑ 14.52
OTP Obligatiuni	RON	15.0615	↑	0.20	↑	0.75	↑ 2.02
OTP ComodisRO	RON	17.4371	↑	0.15	↑	0.68	↑ 1.59
OTP Euro Bond	EUR	12.8141	↑	0.06	↓	-0.17	↑ 0.98
OTP Dollar Bond	USD	11.0212	↑	0.00	↓	-0.01	↑ 0.96
OTP Premium Return	RON	11.8722	↓	-0.10	↑	0.21	↑ 3.53
OTP Euro Premium Return	EUR	9.7792	↑	0.44	↓	-2.33	↓ -1.77
OTP Global Mix	RON	11.7848	↓	-0.35	↑	0.96	↑ 6.43

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