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# Daily Report – Romania

Date: 23.04.2018

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,957.03	↑ 0.41	↑ 0.60
BET-TR	12,038.79	↑ 0.41	↑ 0.59
BET-FI	40,143.01	↑ 0.09	↓ -0.66
BET-XT	829.28	↑ 0.23	↑ 0.53
FP	0.96	↑ 1.05	↓ -0.82
TLV	2.68	↑ 0.94	↑ 1.52
SNG	37.30	↑ 0.27	→ 0.00
SNP	0.35	↑ 0.71	↑ 4.26
BRD	15.52	↓ -0.51	↓ -0.26

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.21	↑ 4.0	↑ 3.0
12 month	2.49	↑ 2.5	↑ 3.5
3 year	3.22	↑ 4.0	↑ 8.0
5 year	4.03	↑ 3.5	↑ 6.0
10 year	4.50	↑ 5.0	↑ 0.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	5.2Y	RON 500 mn	RON 493.1 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.64	↑ 16.0	↓ -27.0
3M ROBOR	2.22	↑ 9.0	↑ 9.0
6M ROBOR	2.49	↑ 3.0	↑ 3.0
1Y ROBOR	2.60	↑ 1.0	↑ 3.0
5Y CDS	79.06	↑ 0.0	↓ 0.0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6583	↑ 0.01	↑ 0.35
USD/RON	3.8156	↑ 0.65	↑ 1.75
CHF/RON	3.8970	↑ 0.21	↓ -0.23
100HUF/RON	0.0149	↓ -0.49	↓ -0.33

Sources: Reuters, OTP Research

**Summary**

- In 2017, Romania's government budget deficit stood at 2.9% of GDP.
- Yesterday the Romanian leu stayed afloat.
- The NBR rolled over its one-week deposit tender, absorbing RON 18.1 bn excess liquidity from the market.
- On Monday, the 3M ROBOR rate hit a multi-month high of 2.22%.
- The BET gained 0.4% and marked a new post-crisis maximum.

In 2017, Romania's government budget deficit stood at 2.9% of GDP (according to the ESA methodology), the third largest in the EU but a touch below the 2016's level (3.0%), Eurostat said in a report yesterday. We recall that in 2015, the country's budget gap was at only 0.8%. Nevertheless, a series of aggressive fiscal easing measures lifted the deficit close to the 3% threshold, despite the strong revival of the economy.

On Monday, despite the outflows from the CEE region, the Romanian leu stayed flat compared to the EUR. The central bank's deposit tender might have helped the national currency to avoid softening. At the same time, the euro lost ground against the greenback as US government bond yields marked a new multi-year high.

As expected, the NBR rolled over its deposit tender in order to absorb the excess liquidity and bring money market rates closer to the policy rate (2.25%). The short-term interbank rates responded strongly. In the O/N – 1M segment ROBOR rates increased by 10–41 basis points. Further up the curve, there was a 1-9 basis-point increase. The 3M ROBOR rate climbed significantly from 2.13% to 2.22%.

The Ministry of Finance sold slightly less than planned in 5.2Y bonds (RON 493.1 mn vs. RON 500 mn), after primary dealers subscribed for RON 533.1 mn. The average accepted yield stood at 4.27%, down from 4.30% on a previous auction with the same ISIN in March.

The BET gained 0.4%, reaching a new post-crisis maximum. The FP (+1.1%) announced that it had acquired 5.30 million shares in the share buy-back program last week. The shares of the most important Romanian oil and gas companies (due to the rising crude oil price) and the TLV also performed well. While the CEE region's indices closed mixed, the most important European indices finished the day at 10-week highs. Bank and insurance companies outpaced the market, helped by the rising bond yields. Furthermore, preliminary manufacturing and services PMI surpassed analysts' expectations. On the other side of the Atlantic Ocean, indices ended the day little changed. The rising US government bond yield undermined the performance, but the strong corporate earnings session underpinned it.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
23-Apr	Monday	no data			
24-Apr	Tuesday	March	New commercial vehicle registrations (YoY%)	8.4	-24.6
25-Apr	Wednesday	March	Non-government loans (YoY%)		6.1
		March	Non-government deposits (YoY%)		12.9
26-Apr	Thursday	no data			
27-Apr	Friday	April	Economic Sentiment Indicator		101.4
		April	Consumer Confidence Indicator		-24.5

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		20-Apr-18					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	11.5621	↓ -1.33	↑	4.36	↑	13.85
OTP Obligatiuni	RON	15.0611	↑ 0.20	↑	0.75	↑	2.03
OTP ComodisRO	RON	17.4401	↑ 0.15	↑	0.70	↑	1.60
OTP Euro Bond	EUR	12.8094	↑ 0.06	↓	-0.20	↑	0.98
OTP Dollar Bond	USD	11.0206	↑ 0.02	↓	-0.02	↑	0.99
OTP Premium Return	RON	11.8700	↓ -0.05	↑	0.19	↑	3.48
OTP Euro Premium Return	EUR	9.7818	↑ 0.57	↓	-2.30	↓	-1.23
OTP Global Mix	RON	11.7588	↓ -0.18	↑	0.74	↑	6.17

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