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Daily Report – Romania

Date: 03.05.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,705.10	↓ -0.30	↓ -3.34
BET-TR	11,699.48	↓ -0.30	↓ -3.35
BET-FI	38,543.27	↓ -1.45	↓ -3.55
BET-XT	803.50	↓ -0.54	↓ -3.34
TLV	2.51	↓ -0.59	↓ -8.39
TGN	387.00	↓ -2.52	↓ -6.41
SIF3	0.21	↓ -3.81	↓ -6.33
SNG	37.20	↑ 0.27	↓ -0.67
BRD	15.20	→ 0.00	↓ -2.31

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.29	→ 0.0	↑ 1.5
12 month	2.52	→ 0.0	↓ -4.0
3 year	3.42	↑ 1.0	↑ 10.5
5 year	4.13	↑ 2.5	↑ 3.5
10 year	4.58	↑ 3.5	↑ 3.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	3.8Y	RON 500 mn	RON 324.3 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.48	→ 0.0	↓ -4.0
3M ROBOR	2.49	↑ 2.0	↑ 7.0
6M ROBOR	2.58	↑ 1.0	↑ 4.0
1Y ROBOR	2.68	↑ 1.0	↑ 3.0
5Y CDS	79.20	↑ 0.0	↓ -0.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6661	↑ 0.06	↑ 0.11
USD/RON	3.8931	↓ -0.22	↑ 1.14
CHF/RON	3.9038	↓ -0.01	↑ 0.38
100HUF/RON	0.0149	↑ 0.35	↓ -0.14

Sources: Reuters, OTP Research

Summary

- Q1 retail trade data suggest that household consumption lost momentum.
- On Thursday the Romanian leu weakened slightly.
- 3M ROBOR reached 2.49%.
- The Ministry of Finance sold less than planned in 3.8Y bonds.
- The BET (-0.3%) is in correction phase.

In March, Romania's retail trade index increased by 3.4% YoY, down from February's 4.6% YoY and January's 11.8% gains. On QoQ basis, the indicator fell by 1.6% (seasonally and working day adjusted data) in the first quarter of 2018, the report also revealed. The fresh statistics indicate that households' consumption softened significantly at the beginning of this year, after skyrocketing in 2017.

The Romanian leu weakened slightly compared to the euro, while other currencies in the CEE region were able to firm. The EUR/USD bounced back from its four-month low and ended the day marginally below 1.2.

Yesterday the 3M ROBOR rate reached 2.49%, marking a new multi-year high.

The Ministry of Finance sold less than planned in 3.8Y bonds (RON 324.3 mn vs. RON 500 mn), after primary dealers subscribed for RON 499.3 mn. The average accepted yield stood at 4.04%, up from 3.76% on a previous auction with the same ISIN in April.

The BET (-0.3%) is in correction phase. Since hitting 9,000 points on 25 April, the national index has lost about 300 points. TGN shares dropped 2.5% as the company proposed a dividend of RON 25.2/share, similarly to the first offer, which the general meeting of the shareholders had rejected. SIF3 ended the day in the red again and shed 3.8%. Last Friday, the company decided to raise the nominal value of its shares from RON 0.1 to 5.0 in order to eliminate about 5 million shares. The main European indices closed in the red; meanwhile performance on the Wall Street was mixed. Uncertainties about the Fed's future policy and the fears of a possible trade war remained in the focus.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
30-Apr	Monday	no data			
1-May	Tuesday	no data			
2-May	Wednesday	March	ILO unemployment rate (% , seasonally adjusted)	4.5	4.6
		March	Licenses for residential buildings (YoY%)	-3.0	15.1
		April	FX Reserves (EUR bn)	33.5	34.7
3-May	Thursday	March	Producer Price Index (YoY%)	3.8	3.9
		March	Tourists' overnight stays (YoY%)	6.0	3.3
4-May	Friday	March	Retail trade (YoY%)	3.4	4.6

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		2-May-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	11.3037	↓ -2.10	↑ 2.02	↑ 10.54		
OTP Obligatiuni	RON	15.0571	↑ 0.09	↑ 0.72	↑ 1.96		
OTP ComodisRO	RON	17.4458	↑ 0.11	↑ 0.73	↑ 1.60		
OTP Euro Bond	EUR	12.7982	↓ -0.07	↓ -0.29	↑ 0.81		
OTP Dollar Bond	USD	11.0240	↑ 0.13	↑ 0.01	↑ 0.95		
OTP Premium Return	RON	11.8466	↑ 0.32	↓ -0.01	↑ 2.73		
OTP Euro Premium Return	EUR	9.7829	↑ 0.57	↓ -2.29	↓ -0.57		
OTP Global Mix	RON	11.7499	↑ 1.22	↑ 0.66	↑ 4.87		

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