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Daily Report – Romania

Date: 04.05.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,788.32	↑ 0.96	↓ -1.33
BET-TR	11,810.85	↑ 0.95	↓ -1.34
BET-FI	38,711.05	↑ 0.44	↓ -2.91
BET-XT	810.50	↑ 0.87	↓ -1.62
BRD	15.68	↑ 3.16	↑ 1.29
TLV	2.60	↑ 3.39	↓ -3.35
TGN	392.00	↑ 1.29	↓ -4.39
SNG	37.10	↓ -0.27	→ 0.00
SNN	8.14	↑ 0.12	↓ -0.85

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.29	↑ 0.5	↓ -1.0
12 month	2.50	↓ -2.0	↓ -2.5
3 year	3.44	↑ 2.0	↑ 8.5
5 year	4.18	↑ 4.5	↑ 5.0
10 year	4.60	↑ 1.5	↑ 4.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.9Y	RON 600 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.50	↑ 2.0	↓ -7.0
3M ROBOR	2.54	↑ 5.0	↑ 8.0
6M ROBOR	2.65	↑ 7.0	↑ 8.0
1Y ROBOR	2.74	↑ 6.0	↑ 6.0
5Y CDS	79.42	↑ 0.2	↑ 0.2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6587	↓ -0.16	↓ -0.08
USD/RON	3.8954	↑ 0.06	↑ 1.36
CHF/RON	3.8954	↓ -0.22	↑ 0.16
100HUF/RON	0.0148	↓ -0.14	↓ -0.38

Sources: Reuters, OTP Research

Summary

- The NBR's rate setting meeting will be the key event of the day.
- On Friday, the Romanian leu strengthened 0.2%.
- 3M ROBOR rate reached 2.54%.
- BET firmed 1%.

Today's main event will be the central bank's monetary policy meeting. We [recall](#) that the NBR unexpectedly left the key rate unchanged on its 4 April meeting, but it started to organise one-week deposit tenders starting from the middle of last month, absorbing the excess liquidity of the market. On the back of tighter liquidity conditions, interbank money market rates climbed higher in the past few weeks. Today Romania's central bank may increase the policy rate by 25 bps to 2.50%, a Reuters survey indicated.

On Friday the Romanian leu strengthened 0.2% compared to the euro, in line with other currencies of the CEE region. The RON's surging was helped by the rising domestic money market rates and by the expectation that the National Bank of Romania hikes its interest rate on Monday. Meanwhile, the common European currency lost ground against the USD. The mixed US payroll data (unemployment rate dropped below 4%, for the first time since the end of 2000, but the number of jobs created missed analysts' expectations) and the eurozone's weaker-than-expected retail trade statistics affected the EUR/USD exchange rate.

On Friday, the 3M ROBOR rate reached 2.54%, its highest level since October 2014. The upward trend continued in the case of other money market rates as well.

After the recent days' corrections, the BET was able to firm 1%, on low turnover. BRD (+3.2%) published its report on first-quarter earnings. The commercial bank released strong results, mainly due to the surging operational revenues. Investors also welcomed that TLV (+3.4%) had acquired further 5.42% of the Moldavian Victoria bank's shares. The main international stocks closed mostly in green, but the CEE region's stocks ended mixed on Friday. Trade talks between China and the United States and the 17-year-low US unemployment rate shaped the trading behaviour.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
7-May	Monday	May	Base rate decision (%)	2.50	2.25
8-May	Tuesday		no data		
9-May	Wednesday	March	Net wage growth rate (YoY%)		11.2
10-May	Thursday	March	Exports (FOB, YoY%)		7.6
		March	Imports (CIF, YoY%)		10.7
11-May	Friday	March	Industrial production (YoY%)		5.8
		March	Industrial trade turnover index (YoY%)		11.9
		March	Index value of new orders in manufacturing (YoY%)		16.0

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		3-May-18					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	11.2545	↓ -2.31	↑	1.58	↑	10.21
OTP Obligatiuni	RON	15.0563	↑ 0.08	↑	0.72	↑	1.95
OTP ComodisRO	RON	17.4461	↑ 0.11	↑	0.73	↑	1.60
OTP Euro Bond	EUR	12.7975	↓ -0.07	↓	-0.30	↑	0.79
OTP Dollar Bond	USD	11.0231	↑ 0.13	↑	0.01	↑	0.94
OTP Premium Return	RON	11.8600	↑ 0.19	↑	0.11	↑	2.82
OTP Euro Premium Return	EUR	9.7731	↑ 0.42	↓	-2.39	↓	-0.63
OTP Global Mix	RON	11.7361	↑ 1.03	↑	0.54	↑	4.66

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