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Daily Report – Romania

Date: 09.05.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,750.27	↓ -0.14	↑ 0.22
BET-TR	11,906.34	↓ -0.15	↑ 1.46
BET-FI	39,040.51	↑ 0.73	↓ -0.18
BET-XT	808.57	↓ -0.04	↑ 0.09
BRD	14.40	→ 0.00	↓ -5.26
SNP	0.36	↑ 0.56	↑ 2.58
TLV	2.60	↓ -2.44	↑ 2.77
EL	10.76	↑ 0.56	↑ 1.51
TGN	388.00	↑ 0.26	↓ -2.27

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.49	↑ 8.0	↑ 20.5
12 month	2.70	↑ 7.5	↑ 18.0
3 year	3.63	↑ 5.5	↑ 22.0
5 year	4.33	↑ 4.0	↑ 22.5
10 year	4.77	↑ 7.5	↑ 22.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.9Y	RON 600 mn	RON 0 mn
Thursday	12M	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.72	↑ 7.0	↑ 24.0
3M ROBOR	2.73	↑ 5.0	↑ 26.0
6M ROBOR	2.87	↑ 7.0	↑ 30.0
1Y ROBOR	2.96	↑ 10.0	↑ 29.0
5Y CDS	80.06	↑ 0.4	↑ 0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6455	↓ -0.12	↓ -0.38
USD/RON	3.9214	↑ 0.03	↑ 0.50
CHF/RON	3.9009	↓ -0.32	↓ -0.08
100HUF/RON	0.0147	↓ -0.21	↓ -0.54

Sources: Reuters, OTP Research

Summary

- The NBR's inflation forecast barely changed, the CB's new Inflation Report revealed; headline CPI growth is expected to ease to 3.6% at the end of this year, the document said.
- In March, the growth rate of both exports and imports softened.
- Yesterday the RON strengthened by 0.1%.
- The 3M ROBOR rate reached 2.73%.
- The BET shed 0.1%.

Yesterday Mr Isarescu presented the NBR's new Inflation Report. The central bank's inflation projection barely changed, the document revealed. At the end of this year, consumer price growth may be at 3.6% (0.1 percentage point higher than in the previous forecast), while in December 2019 it is expected to ease to 3.0% (0.1 pp lower than previously thought). We [recall](#) that on Monday the NBR raised the policy rate for the third time this year in order to contain inflation risks.

In March, the value of exported goods (FOB) grew by 6.6% YoY, after February's 7.6% annual gain, the NIS said this morning. Nonetheless, imports decelerated more significantly, pointing to 5.8% YoY advance, down from 10.8% YoY a month earlier.

Fuelled by the rising interest rates, the Romanian leu strengthened further compared to the euro. Meanwhile other exchange rates in Central Europe stabilized against the common European currency after the recent days' losses. The EUR/USD moved sideways as no major economic news appeared.

The 3M ROBOR rate (2.73%) reached its highest level since mid-October 2014. Other money market rates inched 5-10 basis points higher.

The BET shed 0.1% on Wednesday. However, stocks with remarkable turnover avoided the red territory, except TLV. Reversing the recent days' surge, the blue chip lost 2.4% yesterday. SNP gained 0.6%, buoyed by the surging crude oil prices. Investors expect that the USA's withdrawal from the nuclear agreement with Iran leads to tighter supply. This factor also helped the main global indices to end the trading day higher.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
7-May	Monday	May	Base rate decision (%)	2.25	2.50	2.25
8-May	Tuesday		no data			
9-May	Wednesday	March	Net wage growth rate (YoY%)	15.5		11.2
10-May	Thursday	March	Exports (FOB, YoY%)	6.6		7.6
		March	Imports (CIF, YoY%)	5.8		10.8
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		8-May-18					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	11.3242	↓ -2.50	↑	2.21	↑	9.64
OTP Obligatiuni	RON	15.0470	↓ 0.00	↑	0.65	↑	1.85
OTP ComodisRO	RON	17.4429	↑ 0.08	↑	0.71	↑	1.57
OTP Euro Bond	EUR	12.7911	↓ -0.12	↓	-0.35	↑	0.73
OTP Dollar Bond	USD	11.0239	↑ 0.10	↑	0.01	↑	0.93
OTP Premium Return	RON	11.8227	↑ 0.07	↓	-0.21	↑	2.40
OTP Euro Premium Return	EUR	9.7223	↓ -0.23	↓	-2.90	↓	-0.99
OTP Global Mix	RON	11.7565	↑ 0.66	↑	0.72	↑	4.50

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