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Daily Report – Romania

Date: 11.05.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,775.91	↓ -0.40	↓ -0.14
BET-TR	11,937.82	↓ -0.41	↑ 1.08
BET-FI	39,198.90	↑ 0.04	↑ 1.26
BET-XT	810.43	↓ -0.35	↓ -0.01
TLV	2.60	↓ -1.14	↑ 0.19
FP	0.97	↑ 0.31	↑ 1.68
SNN	8.43	↑ 1.57	↑ 3.56
TGN	382.00	↓ -1.55	↓ -2.55
SNP	0.37	→ 0.00	↑ 4.73

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.52	↑ 1.5	↑ 23.0
12 month	2.73	↑ 1.5	↑ 22.5
3 year	3.58	↓ -3.0	↑ 14.5
5 year	4.32	↓ -2.0	↑ 14.5
10 year	4.73	↓ -2.5	↑ 13.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.4Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.69	↓ -4.0	↑ 19.0
3M ROBOR	2.74	↓ -1.0	↑ 20.0
6M ROBOR	2.88	→ 0.0	↑ 23.0
1Y ROBOR	2.97	→ 0.0	↑ 23.0
5Y CDS	80.12	↑ 0.1	↑ 0.9

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6373	↓ -0.02	↓ -0.46
USD/RON	3.8815	↓ -0.28	↓ -0.36
CHF/RON	3.8785	↓ -0.12	↓ -0.44
100HUF/RON	0.0147	↓ -0.40	↓ -1.01

Sources: Reuters, OTP Research

Summary

- In April, Romania's annual inflation reached 5.2% YoY, as expected.
- In March, construction output fell by 11.9% YoY.
- On Friday, the EUR/RON stabilised below 4.64.
- The BET lost 0.4%.

In April, Romania's consumer price inflation continued to climb higher, reaching 5.2% YoY, after March's 5.0%, the NIS said this morning. The fresh data was in line with our expectation as well as the market's call (Reuters survey). In month-over-month comparison, the CPI index rose by 0.5%. Last month's pick-up primarily was due to a significant hike in tobacco prices, higher fuel prices owing to rallying crude quotations as well as an increase in administered gas prices. Meanwhile, underlying inflation measures increased slightly, with the NBR's preferred Core3 indicator reaching 3.1% YoY, 0.1 percentage point higher than a month earlier. We think that in the following months the headline data may stabilise near the April's level and it may ease sharply at the end of 2018, as the base effect of earlier administered price hikes are set to fade out.

In March, construction output fell by 11.9% YoY, after February's 6.1% YoY gain (gross data), the NIS said in a report. In month-over-month comparison, the index fell 9.2% (seasonally and working day adjusted data). Most likely, the unfavourable weather conditions played an important role in March's sharp drop. In QoQ terms, constructions output posted a healthy 6.9% (SWDA) increase.

In March, the turnover index of market services provided to the population pointed to 3.5% YoY advance, down from 7.3% YoY a month earlier.

Today the NBR will reveal March balance of payments statistics as well as the minutes about the 7 May monetary policy meeting. Tomorrow morning, the NIS will publish its flash GDP estimation for Q1. We think that Romania's annual GDP growth registered a significant slowdown in the first quarter of this year, first of all, owing to a set-back in household consumption expenditures.

On Friday, the EUR/RON stabilised below 4.64, after a failed attempt to break this level. Meanwhile, the other CEE region currencies lost ground compared to the euro. The leu started today's trading session on a strong note.

The BET lost 0.4% on Friday, dragged down by Transgaz (-1.6%) and banking sector shares.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
14-May	Monday	April	Consumer price index (YoY%)	5.2	5.0
		March	Construction works (YoY%)	-11.9	6.1
	March	Turnover of market serv. provided to the population (YoY%)	3.5		7.3
		CA balance (EUR mn, YTD)			-172

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		10-May-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.3200	↓	-2.05	↑	2.17	↑ 9.06
OTP Obligatiuni	RON	15.0436	↓	-0.07	↑	0.63	↑ 1.79
OTP ComodisRO	RON	17.4413	↑	0.05	↑	0.70	↑ 1.55
OTP Euro Bond	EUR	12.7935	↓	-0.13	↓	-0.33	↑ 0.73
OTP Dollar Bond	USD	11.0249	↑	0.07	↑	0.02	↑ 0.92
OTP Premium Return	RON	11.8295	↓	-0.11	↓	-0.15	↑ 2.25
OTP Euro Premium Return	EUR	9.7212	↓	-0.28	↓	-2.91	↓ -1.49
OTP Global Mix	RON	11.7891	↑	0.63	↑	1.00	↑ 4.59

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