

Date: 16.05.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,576.50	↓ -1.20	↓ -1.99
BET-TR	11,665.61	↓ -1.18	↓ -2.02
BET-FI	38,670.28	↑ 0.58	↓ -0.95
BET-XT	790.88	↓ -1.00	↓ -2.19
TLV	2.50	↓ -1.57	↓ -3.66
FP	0.97	↑ 0.31	↑ 1.46
SNP	0.35	↓ -3.70	↓ -1.95
BRD	13.60	↓ -1.16	↓ -5.56
TGN	370.00	↓ -1.46	↓ -4.64

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.55	↑ 0.5	↑ 5.5
12 month	2.79	↓ -0.5	↑ 8.5
3 year	3.60	↑ 2.5	↓ -2.5
5 year	4.32	↑ 3.0	↓ -1.0
10 year	4.75	↑ 5.0	↓ -1.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.4Y	RON 500 mn	RON 508.3 mn
Thursday	5.1Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.42	↓ -17.0	↓ -30.0
3M ROBOR	2.74	→ 0.0	↑ 1.0
6M ROBOR	2.88	→ 0.0	↑ 1.0
1Y ROBOR	2.98	↑ 1.0	↑ 2.0
5Y CDS	81.04	→ 0.0	↑ 1.0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6343	↓ -0.05	↓ -0.24
USD/RON	3.9241	↑ 0.19	↑ 0.07
CHF/RON	3.9199	↑ 0.21	↑ 0.49
100HUF/RON	0.0147	↑ 0.15	↓ -0.50

Sources: Reuters, OTP Research

Summary

- In April, the growth rate of new car sales slowed to 14.9% YoY.
- The EUR/RON was traded a touch above 4.63.
- Today the MoF organises a RON 500 mn debt tender.
- The BET ended Wednesday's session in the red.

In April, the number of new passenger car registrations rose by 14.9% YoY, down from 17.5% YoY a month earlier, the ACEA (European Automobile Manufacturers Association) said in a report this morning. In month-over-month comparison, new car sales dipped 3.5%, our in-house seasonally and working day adjusted data show. We recall that Romania's economy started this year on a weak note, with GDP growth slowing to 4.0% YoY in Q1, after the 6.7% advance in Q4 2017. Most likely, this setback was mainly due to weaker consumption growth. April's car sale data suggest a rather soft outlook for Q2, but we think that the rebound of net wages (in March average wages grew by 15.5% YoY) and slowly recovering confidence may support consumption in Q2.

Yesterday the EUR/RON was traded in a particularly narrow range (slightly above 4.63) and underperformed the other currencies of the region. The Czech koruna and the Hungarian forint firmed around 0.2% against the euro, while the Polish zloty strengthened even more (0.5%), despite the decision of the country's central bank to keep its interest rates on hold. Simultaneously, the EUR/USD dipped 0.3%. Yesterday's weakness of the euro can be explained largely by the concerns triggered by news from Italy. According to media sources, the 5 Star Movement and the League, two parties in discussion for forming a coalition, are considering the option up to ask the European Central Bank to forgive EUR 250 billion of debt.

Today Romania's Ministry of Finance puts up for sale RON 500 mn debt maturing in June 2023.

The weakness of the euro helped Germany's DAX and the French CAC 40 to record modest gains yesterday. However, Italian stocks fell sharply owing to the political risk. In Bucharest, the BET index gave up 1.2%, driven by OMW Petrom (-3.7%) and Banca Transilvania (1.6%). The uncertainties around the government's plan to reshape the country's pension system could have weighed on Romanian equities.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
14-May	Monday	April	Consumer price index (YoY%)	5.2	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)	-967		-172	
15-May	Tuesday	Q1 2018	Flash GDP growth rate (YoY%)	4.0	5.4	6.7
		March	Turnover of market serv. rendered mainly to enterp. (YoY%)	2.8		5.9
		March	Wholesale turnover index (YoY%)	2.3		6.6
16-May	Wednesday		no data			
17-May	Thursday	April	New passenger car registrations (YoY%)	14.9		17.5
18-May	Friday		no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		15-May-18					
Investment funds	ccy	last NAV/U	1m%		Ytd%		52W%
OTP AvantisRO	RON	11.2054	↓ -2.88	↑	1.14	↑	6.15
OTP Obligatiuni	RON	15.0470	↓ -0.09	↑	0.65	↑	1.74
OTP ComodisRO	RON	17.4469	↑ 0.07	↑	0.74	↑	1.56
OTP Euro Bond	EUR	12.7915	↓ -0.18	↓	-0.34	↑	0.67
OTP Dollar Bond	USD	11.0257	↑ 0.06	↑	0.03	↑	0.90
OTP Premium Return	RON	11.8178	↓ -0.33	↓	-0.25	↑	1.83
OTP Euro Premium Return	EUR	9.7066	↓ -0.67	↓	-3.06	↓	-1.80
OTP Global Mix	RON	11.7752	↑ 0.35	↑	0.88	↑	4.11

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