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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,412.36	↓ -1.00	↓ -2.18
BET-TR	12,253.81	↓ -0.99	↓ -2.14
BET-FI	36,064.73	↓ -0.89	↓ -2.49
BET-XT	765.41	↓ -1.01	↓ -2.33
TLV	2.3350	↓ -0.64	↓ -0.21
FP	0.9280	↓ -0.96	↓ -1.90
SNG	34.0000	↓ -0.58	↓ -1.45
SFG	21.0000	↓ -2.33	↓ -7.89
SNP	0.3690	↓ -1.86	↓ -6.58

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.24	↑ 0.5	↑ 1.5
12 month	3.36	→ 0.0	↑ 1.0
3 year	4.19	↓ -1.0	→ 0.0
5 year	4.75	↓ -0.5	↑ 0.5
10 year	4.96	↑ 0.5	↑ 0.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12M	RON 600 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3.66	↑ 5	↑ 186
3M ROBOR	3.38	↓ -1	↑ 10
6M ROBOR	3.58	→ 0	↑ 8
1Y ROBOR	3.68	→ 0	↑ 6
5Y CDS	88.46	↑ 0	→ 0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6605	↓ -0.02	↓ -0.16
USD/RON	4.0871	↓ -0.26	↑ 0.82
CHF/RON	4.0990	↓ -0.01	↑ 0.70
HUF/RON	0.0144	↓ -0.09	↓ -0.49

Sources: Reuters, OTP Research

Summary

- The EUR/RON was traded in a narrow range, ending Friday's session flat.
- Equity markets tumbled.
- Today the NBR announced a repo operation, which is expected to improve liquidity conditions on the interbank market.

Global equity markets suffered losses on Friday. The gloomy mood primarily was fuelled by disappointing earnings results from several US tech giants. Meanwhile, concerns that companies' earnings growth may have peaked and fears that the global economy could slow amid trade-war tensions and higher interest rates, also weighed on the sentiment. At the same time, the US dollar marginally weakened compared to the euro (0.2%), despite better-than-expected US GDP data. In the third quarter of this year, the world's leading economy registered 3.5% annualised GDP growth pace, supported primarily by soaring consumption. However, investment growth slowed, the US Commerce Department said in the report.

Despite the unsupportive mood, the CEE regions' currencies were relatively stable compared to the euro. Romania's leu also finished the day flat, close to the 4.66 level.

On Friday, interbank lending rates showed little variation, continuing to exceed the policy rate (2.50%) by a wide margin. The ROBOR 1M and the ROBOR 3M stood at 3.40% and 3.38% respectively, while other benchmark rates remained above the upper bound of the interest rate corridor (3.50%). We recall that in the past few days, interbank borrowing rates rose significantly on the back of unfavourable liquidity conditions. Nonetheless, today the NBR announced a repo operation, which may alleviate the liquidity squeeze.

Today the Ministry of Finance aims to sell RON 600 mn debt in 12M papers.

Romania stocks tracked their Western European and US peers, closing Friday's trading in negative territory. The BET dropped by 1.0%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
29-Oct	Monday	no data			
30-Oct	Tuesday	September	Licenses for residential buildings (YoY%)		-8.1
		October	Economic Sentiment Indicator		102.7
		October	Consumer Confidence Indicator		-19.9
31-Oct	Wednesday	September	ILO unemployment rate (% , seasonally adjusted)		4.3
1-Nov	Thursday	October	FX Reserves (EUR bn)		31.4
2-Nov	Friday	September	Producer Price Index (YoY%)		5.9
		September	Tourists' overnight stays (YoY%)		9.1

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		25-Oct-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.9436	↓ -0.40	↓ -1.23	↑ 0.44		
OTP Obligatiuni	RON	15.1817	↑ 0.19	↑ 1.55	↑ 2.03		
OTP ComodisRO	RON	17.6791	↑ 0.42	↑ 2.08	↑ 2.34		
OTP Euro Bond	EUR	12.7458	↓ -0.08	↓ -0.70	↓ -0.41		
OTP Dollar Bond	USD	11.0817	↓ -0.02	↑ 0.54	↑ 0.65		
OTP Premium Return	RON	11.4667	↓ -2.57	↓ -3.21	↓ -1.83		
OTP Euro Premium Return	EUR	8.8822	↓ -6.65	↓ -11.29	↓ -10.36		
OTP Global Mix	RON	11.0302	↓ -4.37	↓ -5.51	↓ -4.09		

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