

## Treasury Sales Team

+40372 31 85 88

sales.treasury@otpbank.ro



### Chief Economist

**Gergely Tardos**

+36 1 374 7273

tardosg@otpbank.hu

### Analyst

**Csaba Bálint**

+4021 307 58 96

csaba.balint@otpbank.ro

# Daily Report – Romania

Date: 31.10.2018

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,519.21	↑ 0.35	↓ -1.24
BET-TR	12,402.48	↑ 0.32	↓ -1.25
BET-FI	35,982.58	↑ 0.03	↓ -2.13
BET-XT	773.50	↑ 0.39	↓ -1.39
TLV	2.3200	↓ -0.85	↓ -1.90
SNP	0.3895	↑ 2.50	↓ -0.38
TGN	351.0000	→ 0.00	↓ -0.85
BRD	13.0400	↓ -0.46	↓ -2.40
SNG	34.0500	→ 0.00	↓ -1.30

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.25	↓ -0.5	↑ 1.5
12 month	3.38	↑ 1.0	↑ 2.0
3 year	4.17	↓ -1.5	↓ -3.5
5 year	4.64	↓ -2.0	↓ -10.5
10 year	4.89	↓ -1.5	↓ -6.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	12M	RON 600 mn	RON 170.2 mn
Thursday	12.8Y	RON 200 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.77	→ 0	↓ -75
3M ROBOR	3.31	↓ -1	↓ -4
6M ROBOR	3.51	↓ -2	↓ -5
1Y ROBOR	3.64	→ 0	↓ -1
5Y CDS	88.97	↑ 0	↑ 1

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6638	↓ -0.04	↑ 0.10
USD/RON	4.1229	↑ 0.27	↑ 0.78
CHF/RON	4.0879	↓ -0.12	↓ -0.28
HUF/RON	0.0144	↓ -0.01	↓ -0.25

Sources: Reuters, OTP Research

**Summary**

- Yesterday the EUR/USD dipped lower on economic news; the leu fared relatively well compared to the euro.
- The ROBOR 3M eased by one basis point, to 3.31%.

On Wednesday, the EUR/USD cross decreased by 0.3%, close to 1.13, with investors focusing mainly on Eurozone consumer price inflation, Chinese PMI and US labour market data. As expected, Eurozone's headline inflation rose to 2.2% YoY in October, up from 2.1% YoY a month earlier. Nonetheless, the Chinese manufacturing purchasing manager index missed the expectations (50.2 vs. 50.6; PMI level above 50 indicates expansion), also signalling that growth in activity was almost flat in October. On the other hand, the ADP non-farm employment data surprised on the upside, providing support for the US dollar.

Currencies in the CEE region mostly weakened compared to the euro. The Czech koruna also lost some ground (0.1%), even though the country's central bank is expected to raise its benchmark interest rate by 25 basis points today. At the same time, Romania's leu fared well compared to its CEE region's peers ending Wednesday's trading session marginally stronger.

Yesterday interbank interest rates were mostly stable, with the ROBOR 3M inching lower one basis point, to 3.31%. We recall that ROBOR rates shifted higher in the second half of October owing to less favourable liquidity conditions, but interest rates eased somewhat in the past few days, after the NBR provided extra liquidity to commercial banks. Tax payments were important contributors to the liquidity squeeze, NBR governor Mr Isarescu said on a conference yesterday.

November's auction calendar showed that the Ministry of Finance plans to borrow RON 4.74 bn. It is worth mentioning that bonds worth over RON 8 bn will reach to maturity at the end of November. This means that redemption likely will exceed new issuances, which is expected to improve liquidity conditions on the interbank market.

Equity markets in the USA and in Western Europe registered nice gains yesterday, supported among others by favourable earnings reports. In Bucharest, the BET index rose around 0.3% on good volumes.

Today the NBR will release FX reserve statistics for the end of October.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
29-Oct	Monday	no data			
30-Oct	Tuesday	September	Licenses for residential buildings (YoY%)	-0.6	-8.1
		October	Economic Sentiment Indicator	102.3	102.7
		October	Consumer Confidence Indicator	-20.2	-19.9
31-Oct	Wednesday	September	ILO unemployment rate (% , seasonally adjusted)	4.1	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		30-Oct-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.9646	↓ -0.18	↓ -1.04	↑ 1.21		
OTP Obligatiuni	RON	15.1880	↑ 0.22	↑ 1.60	↑ 1.97		
OTP ComodisRO	RON	17.6876	↑ 0.45	↑ 2.13	↑ 2.37		
OTP Euro Bond	EUR	12.7419	↓ -0.12	↓ -0.73	↓ -0.55		
OTP Dollar Bond	USD	11.0824	↓ -0.02	↑ 0.54	↑ 0.63		
OTP Premium Return	RON	11.4206	↓ -3.24	↓ -3.60	↓ -2.49		
OTP Euro Premium Return	EUR	8.7926	↓ -7.57	↓ -12.18	↓ -11.86		
OTP Global Mix	RON	10.9916	↓ -4.77	↓ -5.84	↓ -5.00		

## Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centered on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to [newsletters@otpbank.ro](mailto:newsletters@otpbank.ro) or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.