

Date: 01.11.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,560.18	↑ 0.48	↑ 0.74
BET-TR	12,463.11	↑ 0.49	↑ 0.70
BET-FI	36,241.38	↑ 0.72	↓ -0.41
BET-XT	777.24	↑ 0.48	↑ 0.52
BRD	13.1600	↑ 0.92	↓ -1.50
SFG	22.3000	↓ -0.89	↑ 3.72
TLV	2.3400	↑ 0.86	↓ -0.43
FP	0.9500	↑ 0.96	↑ 1.39
SNP	0.3915	↑ 0.51	↑ 4.12

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.25	↓ -0.5	↑ 1.0
12 month	3.39	↑ 1.0	↑ 3.0
3 year	4.15	↓ -2.0	↓ -5.0
5 year	4.60	↓ -3.5	↓ -15.0
10 year	4.88	↓ -1.0	↓ -7.0

GOV'T BOND AUCTIONS

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

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.75	↓ -2	↓ -86
3M ROBOR	3.31	→ 0	↓ -8
6M ROBOR	3.49	↓ -2	↓ -9
1Y ROBOR	3.64	→ 0	↓ -4
5Y CDS	89.08	↑ 0	↑ 1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6632	↓ -0.01	↑ 0.04
USD/RON	4.0870	↓ -0.87	↓ -0.27
CHF/RON	4.0792	↓ -0.21	↓ -0.49
HUF/RON	0.0144	↑ 0.55	↑ 0.42

Sources: Reuters, OTP Research

Summary

- In October, the NBR's FX-reserve rose from EUR 32.4 bn to EUR 31.4 bn.
- Industrial producer prices increased by 5.6% YoY in September.
- Tourists' overnight stays picked up.
- The EUR/RON was traded in a narrow range.

In October, the NBR's foreign exchange reserve rose to EUR 32.4 bn, up from EUR 31.4 bn a month earlier, the central bank said yesterday. The significant increase primarily was due to Eurobond issues of the Finance Ministry with a nominal value of EUR 1.75 bn. Since 2010, the NBR's FX-reserve have been relatively stable, staying in the range of EUR 30-35 bn, despite the repayment of foreign loans and the reductions of reserve requirement ratios. We think that the NBR's foreign exchange reserve is at an adequate level, easily covering imports and short-term debt. Nonetheless, we also note that, as a share of GDP, the central bank's FX-reserve decreased close to 16%, from around 26% in 2010.

Producer price growth in industry slowed to 5.6% YoY in September, the NIS said this morning. In the previous month, industrial production prices rose by 5.9% YoY. The deceleration was due to slowing price growth in the case of non-domestic markets (4.9% YoY vs. 5.7% YoY a month earlier), while the index for domestic market climbed again higher (6.1% YoY vs. 6.0% YoY).

In September, tourists' overnight stays rose by 10.8% YoY, up from 9.1% YoY a month earlier, owing to a pick of overnight stays of Romanian tourists (14.3% YoY vs. 11.7% YoY). On the other hand, overnight stays of foreign citizens fell by 2.4% YoY.

Yesterday US President Donald Trump tweeted that he had a 'very good conversation' with Chinese leader Xi Jinping. The message helped hopes for a resolution to the US-China trade tensions. Amid yesterday's rather favourable trading sentiment, the euro firmed against the US dollar, while the CEE region's currencies also strengthened. Meanwhile, the EUR/RON cross closed the a day a touch lower.

On Thursday, the Ministry of Finance sold the planned RON 200 mn debt via bonds maturing in September 2031. The average accepted yield was at 5.46%. Bucharest's BET index closed in green (+0.5%).

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)	32.4	31.4
2-Nov	Friday	September	Producer Price Index (YoY%)	5.6	5.9
		September	Tourists' overnight stays (YoY%)	10.8	9.1

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		31-Oct-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	11.0223	↑ 0.20	↓ -0.52	↑ 1.72		
OTP Obligatiuni	RON	15.1907	↑ 0.21	↑ 1.61	↑ 1.98		
OTP ComodisRO	RON	17.6890	↑ 0.43	↑ 2.13	↑ 2.38		
OTP Euro Bond	EUR	12.7425	↓ -0.13	↓ -0.72	↓ -0.54		
OTP Dollar Bond	USD	11.0832	↓ -0.03	↑ 0.55	↑ 0.63		
OTP Premium Return	RON	11.4841	↓ -2.85	↓ -3.06	↓ -2.11		
OTP Euro Premium Return	EUR	8.9050	↓ -6.76	↓ -11.06	↓ -10.77		
OTP Global Mix	RON	11.0838	↓ -4.21	↓ -5.05	↓ -4.41		

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