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# Daily Report – Romania

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**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,670.05	↑ 0.10	↑ 0.60
BET-TR	12,627.72	↑ 0.11	↑ 0.63
BET-FI	36,693.00	↓ -0.08	↓ -2.01
BET-XT	789.74	↑ 0.02	↑ 0.30
TLV	2.3700	↑ 0.64	↑ 0.42
FP	0.9450	↑ 0.32	↓ -0.11
SNG	35.2000	↑ 0.28	↑ 2.03
BRD	13.3800	→ 0.00	↑ 0.15
WINE	18.3500	↓ -0.54	↑ 0.27

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.15	↓ -0.5	↓ -4.0
12 month	3.29	↓ -1.5	↓ -5.5
3 year	3.90	↓ -1.0	↓ -10.0
5 year	4.43	↑ 1.5	↑ 1.0
10 year	4.71	↑ 1.0	↓ -1.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	7.4Y	RON 400 mn	RON 400 mn
Thursday	4.6Y	RON 600 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.59	↓ -1	↓ -7
3M ROBOR	3.19	→ 0	↓ -6
6M ROBOR	3.43	→ 0	↓ -6
1Y ROBOR	3.58	→ 0	↓ -3
5Y CDS	88.60	↓ 0	↓ 0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6585	↑ 0.05	↓ -0.08
USD/RON	4.1266	↓ -0.57	↑ 1.15
CHF/RON	4.0970	↓ -0.20	↑ 0.67
HUF/RON	0.0144	↓ -0.18	↓ -0.35

Sources: Reuters, OTP Research

**Summary**

- In Q3, Romania's economy grew faster than expected.
- In January-September, Romania's current account deficit widened to EUR 6.6 bn.

In the third quarter of this year, Romania's GDP grew by 4.3% YoY (gross data), up from 4.1% YoY in the previous quarter. In QoQ terms, the country's economy increased by 1.9% (seasonally and working day adjusted data), the NIS's flash estimate also showed this morning. The fresh statistics outpaced both the market as well as our expectation by a wide margin. The detailed GDP statistics will be released only at the beginning of December but, most likely, the positive surprise came on the back of better-than-expected agricultural output while historical data revisions could also have played a role. Earlier this year, the official projections of the European Commission and anecdotal reports on the domestic front had suggested that unfavourable weather conditions damaged Romanian crops. However, the most recent statistics of Eurostat and the Ministry of Agriculture about this year's harvest revealed that agricultural output, at several crops, exceeded even last year's excellent production.

In the first nine months of this year, Romania's current account deficit registered EUR 6.62 bn deficit, up from EUR 6.00 bn a month earlier, and from EUR 4.78 bn in the same period of the previous year, the NBR said yesterday. The widening gap in the case of goods was the primary driver behind the higher deficit. The balance of goods pointed to EUR 9.78 bn gap, up from EUR 8.28 bn a year earlier. On twelve-month rolling basis, the current account deficit stood at 3.9% of GDP in September, our in-house estimation showed. We recall that Romania's current account gap was at 3.2% of GDP at the end of last year.

The Board of the NBR unanimously decided to keep the policy rate unchanged at 2.50%, the minutes about the 6 November meeting showed. We think that the NBR will resume the normalisation cycle owing to the outlook of strengthening underlying price pressures. We expect the policy rate to end next year at 3.25%.

Yesterday the EUR/RON cross was traded again in a narrow range, finishing the day near 4.66. The other currencies of the CEE region moved in different directions. At the same time, interbank lending rates and government securities' yields registered small changes, while Bucharest's key equity index, the BET, inched marginally higher (0.1%).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS	
13-Nov	Tuesday	September	CA balance (EUR mn, YTD)	-6,619	-5,999	
		September	Turnover of market serv. provided to the population (YoY%)	7.8	5.1	
14-Nov	Wednesday	Q3 2018	Flash GDP growth rate (YoY%)	4.3	3.3	4.1
		September	Construction works (YoY%)	-2.1	-8.9	
		September	Turnover of market serv. rendered mainly to enterp. (YoY%)	9.0	10.3	
		September	Wholesale turnover index (YoY%)	6.3	6.7	
15-Nov	Thursday	October	New passenger car registrations (YoY%)		-73.4	
16-Nov	Friday		no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		12-Nov-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	11.2009	↑ 2.18	↑ 1.10	↑ 1.86		
OTP Obligatiuni	RON	15.2131	↑ 0.30	↑ 1.76	↑ 2.13		
OTP ComodisRO	RON	17.7077	↑ 0.45	↑ 2.24	↑ 2.45		
OTP Euro Bond	EUR	12.7460	↓ -0.07	↓ -0.70	↓ -0.51		
OTP Dollar Bond	USD	11.0895	↑ 0.04	↑ 0.61	↑ 0.70		
OTP Premium Return	RON	11.4862	↓ -0.92	↓ -3.05	↓ -2.15		
OTP Euro Premium Return	EUR	8.8516	↓ -2.68	↓ -11.59	↓ -10.96		
OTP Global Mix	RON	11.0488	↓ -1.68	↓ -5.35	↓ -4.70		

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