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Daily Report – Romania

Date: 14.11.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,550.55	↓ -1.38	↓ -1.40
BET-TR	12,458.01	↓ -1.34	↓ -1.34
BET-FI	36,939.61	↑ 0.67	↓ -0.01
BET-XT	780.56	↓ -1.16	↓ -1.23
SNG	35.0500	↓ -0.43	↓ -0.14
TLV	2.3600	↓ -0.42	↓ -0.42
SNP	0.3700	↓ -4.15	↓ -6.45
FP	0.9450	→ 0.00	↑ 0.32
SNN	8.4000	↑ 0.60	↑ 3.58

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.16	↑ 1.0	↓ -3.0
12 month	3.30	↑ 1.5	↓ -4.0
3 year	3.88	↓ -1.5	↓ -8.5
5 year	4.44	↑ 1.0	↑ 1.0
10 year	4.73	↑ 2.0	↑ 1.5

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	2.55	↓ -4	↓ -9
3M ROBOR	3.19	→ 0	↓ -1
6M ROBOR	3.44	↑ 1	↓ -3
1Y ROBOR	3.58	→ 0	↓ -2
5Y CDS	88.55	↓ 0	↓ 0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6598	↑ 0.03	↓ -0.03
USD/RON	4.1194	↓ -0.17	↑ 0.98
CHF/RON	4.0952	↓ -0.04	↑ 0.62
HUF/RON	0.0144	↑ 0.13	↓ -0.37

Sources: Reuters, OTP Research

Summary

- New passenger car sales fell around 33% YoY, as the introduction of the new WLTP test continued to weigh.
- The turnover index of market services rendered mainly to enterprises grew 9% YoY in September.

In October, new passenger car registrations fell 32.9% YoY. It is worth mentioning that this came after September's 73.4% YoY plunge, and an extraordinary jump in August (112.9% YoY). The roller-coaster in the past few months was mainly the result of the new WLTP test. The WLTP (Worldwide Harmonised Light Vehicle Test Procedure) aims to measure fuel consumption and CO2 emissions in a more reliable manner than the previous procedure. Therefore, several auto dealers offered pre-WLTP vehicles at attractive prices earlier this year. Nonetheless, Dacia sales on the EU28 market fared quite well in October, posting 8.1% annual increase, the ACEA (European Automobile Manufacturers Association) said too.

In September, the turnover index of market services rendered mainly to enterprises grew by 9.0% YoY (gross data) but marginally fell in month-over-month comparison (seasonally and working day adjusted data), a NIS report showed yesterday. In Q3, the index went up by 10.4% YoY and 4.0% QoQ, among others helped by the IT sub-sector, the report also revealed. This, together with other statistics from the services sector (the turnover index of market services provided to the population rose 6.1% YoY and 7.4% QoQ), suggests that market services remained among the key drivers of the Romanian economy in Q3. This came despite the relatively weak performance of the trade sub-sector (in Q3, retail trade pointed to only 3.1% YoY gain and fell 0.4% QoQ, while wholesale trade also lost some momentum: 7.5% YoY gain, but only 0.7% advance in QoQ terms). We recall that the NIS published stronger-than-expected GDP growth figures for the third quarter of this year (4.3% YoY vs. the 3.3% YoY market consensus). The sectorial details of the Q3 statistics will see the light of day in early December. Nonetheless, we suspect that agriculture output as well as historical data revisions may explain a significant part of the positive surprise.

On Wednesday, pessimism characterized European and US financial markets. Romania's leu continued to be traded close to 4.66 against the euro, while currencies elsewhere in the CEE region moved in different directions. Bucharest's stock indices mostly fell, with the BET giving up 1.4%. The shares of Digi communications and OMW Petrom fell more than 4%. The latter probably was dragged down by lower crude oil prices too. Brent futures have plunged around 25% since early October, on over-supply concerns.

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
		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%)	-32.9	-73.4
16-Nov	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		13-Nov-18					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	11.1855	↑	2.04	↑	0.96	↑ 1.74
OTP Obligatiuni	RON	15.2120	↑	0.29	↑	1.76	↑ 2.13
OTP ComodisRO	RON	17.7090	↑	0.46	↑	2.25	↑ 2.45
OTP Euro Bond	EUR	12.7444	↓	-0.08	↓	-0.71	↓ -0.52
OTP Dollar Bond	USD	11.0886	↑	0.03	↑	0.60	↑ 0.68
OTP Premium Return	RON	11.4869	↓	-0.92	↓	-3.04	↓ -2.16
OTP Euro Premium Return	EUR	8.8574	↓	-2.62	↓	-11.54	↓ -10.75
OTP Global Mix	RON	11.0640	↓	-1.54	↓	-5.22	↓ -4.58

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