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# Daily Report – Romania

Date: 17.01.2019

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,184.84	↑ 1.52	↓ -2.79
BET-TR	10,594.66	↑ 1.50	↓ -2.73
BET-FI	34,331.60	↑ 1.52	↓ -1.82
BET-XT	665.93	↑ 1.62	↓ -2.21
TLV	1.7820	↑ 3.73	↓ -10.54
BRD	10.8000	↑ 4.25	↓ -4.42
SNG	28.4000	↓ -0.18	↑ 0.89
FP	0.8450	↓ -0.47	↓ -4.63
SIF5	2.0950	↑ 0.72	→ 0.00

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.06	→ 0.0	↑ 3.5
12 month	3.37	↑ 5.5	↑ 10.0
3 year	4.12	↑ 9.5	↑ 13.0
5 year	4.62	↑ 17.5	↑ 39.5
10 year	5.04	↑ 14.5	↑ 45.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Thursday	10.1Y	RON 400 mn	RON 389.4 mn
Thursday	12M	RON 500 mn	RON 0 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.74	↓ -9	↓ -2
3M ROBOR	2.90	↑ 3	↑ 2
6M ROBOR	3.20	→ 0	↓ -2
1Y ROBOR	3.44	↑ 2	→ 0
5Y CDS	93.68	↓ -1	↓ -1

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6945	↑ 0.13	↑ 0.33
USD/RON	4.1225	↑ 0.17	↑ 1.32
CHF/RON	4.1436	↓ -0.29	↑ 0.25
HUF/RON	0.0147	↑ 0.74	↑ 0.93

Sources: Reuters, OTP Research

**Summary**

- In Q4, market services may have remained the main driver of the economy, the latest NIS data suggested.
- Yesterday the BET inched up, but on low volumes.
- The EUR/RON broke slightly above 4.69, marking a new record high.
- Weak demand characterised yesterday's T-bill auction.

In November, the turnover index of market services rendered mainly to enterprises rose by 15.3% YoY (gross data), the NIS said yesterday. This robust gain came after October's even stronger increase (16.6% YoY). In month-over-month comparison, the index advanced 2.6% (seasonally and working day adjusted data), following a 4.1% gain in October. These developments in October and November, together with other statistics about services indicate that the sector may have remained an important driver of GDP growth in Q4. We note that trade industry, another key component of the market services sector fared well too, fuelled by the strong revival of retail sales, while wholesale trades also rose. Simultaneously, market services provided to the population and car sales also picked up in the analysed period.

Nonetheless, the annual growth rate of industry slowed, on average to 3% in October-November, down from 3.8% in Q3, probably owing to weaker external demand. This indicates that industry may have had a smaller contribution to Q4's GDP growth. At the same time, other high-frequency statistics showed that the construction sector continued to struggle in the first two months of Q4. We recall that Romania's economy grew by 4.4% YoY in Q3, getting an extra boost from agriculture. The NIS's first estimation on Q4 2018 GDP data will be published in the middle of next month.

Bucharest's BET index increased (+1.5%) yesterday, fuelled by banking sector shares, but volumes were rather low (RON 25 mn). The BRD rose 4.2% and Romania's largest lending institution, Banca Transilvania inched 3.7% higher. We recall that at the end of last year the government approved new taxes for key sectors, particularly hitting banks.

On Thursday, Romania's leu continued to slowly depreciate against the euro (by 0.1% to around 4.69), marking another record high.

Yesterday's 12M bill auction did not go well, the Treasury rejected all bids. The demand for the paper was weak, with dealers subscribing for RON 209.1 mn. On the 10Y bond auction, the Treasury borrowed slightly less than planned (RON 389.4 mn vs. RON 500 mn) on 5.11% average yield.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
15-Jan	Tuesday	November	Construction works (YoY%)	-4.9	-2.9
		November	Turnover of market serv. provided to the population (YoY%)	9.1	6.6
16-Jan	Wednesday	December	New passenger car registrations (YoY%)	12.3	-10.8
17-Jan	Thursday	November	Turnover of market serv. rendered mainly to enterp. (YoY%)	15.3	16.6
		November	Wholesale turnover index (YoY%)	7.5	12.9
18-Jan	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		16-Jan-19					
Investment funds	ccy	last NAV/U	1m%		Ytd%	52W%	
OTP AvantisRO	RON	10.2554	↓ -6.81	↑	0.35	↓ -11.71	
OTP Obligatiuni	RON	15.2558	↑ 0.33	↑	0.24	↑ 1.88	
OTP ComodisRO	RON	17.8050	↑ 0.24	↑	0.13	↑ 2.72	
OTP Euro Bond	EUR	12.7060	↑ 0.13	↑	0.14	↓ -0.98	
OTP Dollar Bond	USD	11.0802	↑ 0.24	↑	0.19	↑ 0.48	
OTP Premium Return	RON	11.2847	↓ -0.25	↑	0.94	↓ -5.43	
OTP Euro Premium Return	EUR	8.4650	↓ -1.01	↓	-0.43	↓ -16.20	
OTP Global Mix	RON	10.7931	↑ 0.31	↑	1.00	↓ -9.00	

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