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Daily Report – Romania

Date: 23.01.2019 (24.01.2019 for FX data)

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,141.56	↓ -0.72	↑ 0.91
BET-TR	10,528.39	↓ -0.73	↑ 0.87
BET-FI	33,753.61	↑ 0.12	↓ -0.19
BET-XT	662.35	↓ -0.57	↑ 1.08
TLV	1.7520	↓ -2.12	↑ 1.98
FP	0.8180	↓ -0.24	↓ -3.65
SNP	0.3170	↑ 0.63	↑ 4.28
EL	9.9000	↓ -3.51	↑ 1.23
SNG	28.1500	↓ -0.88	↓ -1.05

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.10	↑ 2.0	↑ 4.0
12 month	3.40	↑ 2.0	↑ 8.5
3 year	4.18	↑ 1.5	↑ 15.0
5 year	4.60	↑ 2.0	↑ 15.5
10 year	5.05	↓ -0.5	↑ 15.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.4Y	RON 400 mn	RON 110 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.83	↑ 8	→ 0
3M ROBOR	3.03	↑ 6	↑ 16
6M ROBOR	3.31	↑ 3	↑ 11
1Y ROBOR	3.50	↑ 1	↑ 8
5Y CDS	93.74	↑ 0	↑ 0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.7729	↑ 0.11	↑ 1.67
USD/RON	4.2195	↑ 0.73	↑ 2.35
CHF/RON	4.2373	↑ 0.89	↑ 2.26
HUF/RON	0.0150	↓ -0.17	↑ 1.83

Sources: Reuters, OTP Research

Summary

- New commercial vehicle registrations in Romania grew by 11.5% in 2018.
- EUR/RON traded close to 4.77.
- Most interest rates climbed higher.

In 2018, new commercial vehicle registrations increased by 11.5%, to 25,812 units, the ACEA (European Automobile Manufacturers Association) said yesterday. Nonetheless, in December, new registration pointed to significant deceleration compared to November (3.7% YoY vs. 20.5% YoY), the ACEA report also showed. At the level of the European Union, commercial vehicle sales grew by 3.2% in 2018, but just like in Romania, the data for the latest period pointed to some weakness: in December, new registration fell by 4.0% YoY, down from November's 2.7% YoY and October's 6.9% YoY advances. The latest registration statistics for the EU are in line with other economic data that pointed to weakening growth momentum in the European community, particularly in the eurozone.

Today the National Bank of Romania will publish non-government loan and deposit statistics for December 2018. We recall that lending activity was healthy in the period of January-November 2018, despite the significantly higher ROBOR rates. However, most recently, the outlook for credit growth became cloudy given the side effects of the new tax on banking sector assets.

On Thursday, regular trading was closed in Romania due to a national holiday. On the external front, investors focused on the ECB's monetary policy meeting. As expected, the European Central Bank left its benchmark rates unchanged, but seemed to be more concerned about the slowdown of eurozone's economy. Despite the national holiday, the EUR/RON cross climbed slightly higher on relatively high volumes, ending the day close to 4.77.

On Wednesday, interbank lending rates mostly rose, with the ROBOR 3M breaking above 3%, while government securities' yield on 6M-5Y maturities inched a few basis points higher. Simultaneously, Bucharest's stock indices finished mostly lower, with the BET slipping 0.7%. Electrica and Transelectrica slumped the most (3.5% and 3.2%), but the banking sector's shares also lost more than 2%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
21-Jan	Monday		no data		
22-Jan	Tuesday		no data		
23-Jan	Wednesday		no data		
24-Jan	Thursday	December	New commercial vehicle registrations (YoY%)	3.7	20.5
25-Jan	Friday	December	Non-government loans (YoY%)		6.3
		December	Non-government deposits (YoY%)		10.9

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		22-Jan-19					
Investment funds	ccy	last NAV/U		1m%		Ytd%	52W%
OTP AvantisRO	RON	10.3034	↑	3.52	↑	0.82	↓ -13.42
OTP Obligatiuni	RON	15.2603	↑	0.37	↑	0.27	↑ 1.86
OTP ComodisRO	RON	17.8115	↑	0.25	↑	0.17	↑ 2.71
OTP Euro Bond	EUR	12.7091	↑	0.17	↑	0.17	↓ -0.97
OTP Dollar Bond	USD	11.0905	↑	0.33	↑	0.29	↑ 0.56
OTP Premium Return	RON	11.2845	↑	1.47	↑	0.93	↓ -5.57
OTP Euro Premium Return	EUR	8.4215	↓	-0.71	↓	-0.95	↓ -16.74
OTP Global Mix	RON	10.8082	↑	1.50	↑	1.14	↓ -9.07

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