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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,294.19	↑ 3.75	↑ 4.11
BET-TR	10,751.99	↑ 3.74	↑ 4.10
BET-FI	33,827.92	↑ 2.07	↑ 1.21
BET-XT	674.89	↑ 3.38	↑ 3.70
TLV	1.8000	↑ 11.11	↑ 10.43
BRD	11.2000	↑ 10.89	↑ 12.00
SNP	0.3340	↑ 1.21	↑ 3.89
FP	0.8150	↑ 1.62	→ 0.00
EL	9.6000	→ 0.00	↓ -2.64

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.12	↓ -1.5	↓ -3.0
12 month	3.33	↓ -4.0	↓ -12.0
3 year	4.03	↓ -3.5	↓ -24.0
5 year	4.36	↓ -3.5	↓ -36.0
10 year	4.81	↑ 3.0	↓ -36.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Thursday	2.7Y	RON 300 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3.52	↑ 4	↓ -1
3M ROBOR	3.07	↑ 1	↓ -4
6M ROBOR	3.30	↑ 1	↓ -4
1Y ROBOR	3.49	↑ 1	↓ -2
5Y CDS	94.94	↑ 0	↑ 2

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.7510	↓ -0.06	↓ -0.50
USD/RON	4.1543	↑ 0.11	↓ -0.58
CHF/RON	4.1630	↓ -0.14	↓ -1.17
HUF/RON	0.0150	↓ -0.07	↓ -0.58

Sources: Reuters, OTP Research

Summary

- The NBR and the Ministry of Finance create a joint working group to analyse the impacts of the tax on bank assets.
- The government wants lower interest rates for Romanians, rather than additional revenues from the tax on assets, Mr Valcov said yesterday.
- Banking sector shares marched higher.

Yesterday the National Committee for Macroprudential Oversight (CNSM) held a meeting in order to discuss the effect of the new tax on bank assets. An impact study prepared by NBR experts was also analysed on the meeting. The members of the committee agreed to set up a joint working group of the NBR and the Ministry of Finance. The conclusions of the group will be presented to the committee at the next meeting, scheduled for 18 February.

Following yesterday's committee meeting, Mr Valcov, the economic counsellor of the Prime Minister said that he hoped to reach a radical change in how ROBOR is calculated. The government wants interest rates in Romania to get close to those of other European countries, and it does not wish to collect additional revenue from the tax, Mr Valcov also noted.

On the news, banking sector shares started a rally, with the TLV and the BRD soaring more than 10%. The revival of bank shares helped the BET index to close 3.8% higher.

As regards Mr Valcov's statements, the NBR's spokesman Mr Suciu stated that there was no discussion about changing ROBOR in the meeting of the CNSM.

On Monday, the EUR/RON exchange rate marginally firmed, ending the day near 4.75. Currencies elsewhere in the CEE region also appreciated a bit compared to the euro.

The Ministry of Finance published a very light issuance calendar for February, with planned amounts of RON 1.5 bn in bonds as well as RON 0.4 bn in Treasury bills.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
4-Feb	Monday	December	Producer Price Index (YoY%)	4.5	4.9
5-Feb	Tuesday	December	Retail trade (YoY%)	4.0	7.0
6-Feb	Wednesday		no data		
7-Feb	Thursday	February	Base rate decision (%)		2.5
8-Feb	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		1-Feb-19					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.3028	↑ 0.81	↑ 0.81	↓ -12.00		
OTP Obligatiuni	RON	15.2898	↑ 0.47	↑ 0.47	↑ 1.94		
OTP ComodisRO	RON	17.8241	↑ 0.24	↑ 0.24	↑ 2.69		
OTP Euro Bond	EUR	12.7237	↑ 0.28	↑ 0.28	↓ -0.82		
OTP Dollar Bond	USD	11.1086	↑ 0.45	↑ 0.45	↑ 0.68		
OTP Premium Return	RON	11.3740	↑ 1.73	↑ 1.73	↓ -4.55		
OTP Euro Premium Return	EUR	8.3924	↓ -1.29	↓ -1.29	↓ -16.41		
OTP Global Mix	RON	10.9089	↑ 2.08	↑ 2.08	↓ -8.01		

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