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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,523.83	↑ 2.06	↑ 1.57
BET-TR	11,101.89	↑ 2.05	↑ 1.62
BET-FI	34,147.73	↑ 0.04	↓ -0.73
BET-XT	694.37	↑ 1.84	↑ 1.27
TLV	1.8400	↑ 1.66	↓ -0.54
FP	0.8240	↓ -0.12	↑ 0.61
BRD	11.6400	↑ 2.83	↑ 2.11
SNG	30.9000	↑ 1.64	↑ 3.87
SNP	0.3445	↑ 4.87	↑ 2.07

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.09	→ 0.0	↓ -5.0
12 month	3.32	↓ -6.5	↓ -5.5
3 year	3.86	↓ -1.0	↓ -21.0
5 year	4.25	↓ -6.0	↓ -17.5
10 year	4.83	↑ 4.0	↓ -5.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	7.2Y	RON 300 mn	RON 334.1 mn
Thursday	11M	RON 400 mn	
Thursday	5.3Y	RON 200 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3.55	↑ 1	↑ 2
3M ROBOR	3.09	↓ -1	→ 0
6M ROBOR	3.30	↑ 1	→ 0
1Y ROBOR	3.50	→ 0	↑ 2
5Y CDS	95.13	↑ 0	↑ 0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.7481	↑ 0.08	↑ 0.12
USD/RON	4.1923	↓ -0.36	↑ 0.84
CHF/RON	4.1654	↓ -0.61	↑ 0.16
HUF/RON	0.0149	↑ 0.67	↓ -0.02

Sources: Reuters, OTP Research

Summary

- Headline inflation was unchanged in January (3.3%), the NIS revealed this morning.
- The new bank levy practically is a tax on monetary policy, the NBR's governor said yesterday.
- In the last month of 2018, industrial production fell 0.8% YoY.

In the first month of 2019, consumer prices grew by 3.3% compared to the same period of the previous year, the NIS said in a report this morning. In December 2018, the annual growth rate of consumer prices was at 3.3% as well. Behind the flat headline data, the more detailed statistics of the NIS revealed that the individual component of the consumer basket moved in different directions. Tobacco prices sharply rose in January, owing to the higher excise duty, while vegetables and fruits became also more expensive. On the other hand, the inflation of regulated prices and fuels eased significantly. In month-over-month comparison, consumer prices rose by 0.8%. It is worth mentioning that the consumer price index frequently points to significant increase in the first month of the year, among others owing to seasonal effects.

The Core3 inflation (inflation that excludes vegetables, fruit, eggs, fuels and products whose prices are regulated, as well as beverages and tobacco), the central bank's preferred underlying price measure, stood at 2.5% YoY, unchanged compared to December.

On Tuesday, the Board of the NBR met with the members of the budget finance committee. With regard to the levy on bank assets, NBR Governor Mugur Isarescu noted that this was practically a tax on monetary policy, tying the hands of the central bank. The NBR also urged the government to uncouple the levy from ROBOR rates.

In December, the volume index of production fell by 0.8% YoY (gross data). This came after an already soft growth rate in November (2.5% YoY). The weak performance of industry in the past few months is likely the result of the broad-based slowdown of the Eurozone economy.

Later today, the NBR will reveal current account statistics for December. Tomorrow morning, the NIS's flash estimate on Q4 2018 GDP data will see the light of day.

Yesterday Romania's leu remained close to 4.75, while Bucharest's stock indices inched higher.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
12-Feb	Tuesday	December	Industrial trade turnover index (YoY%)	2.9	9.5
		December	Index value of new orders in manufacturing (YoY%)	4.7	14.6
13-Feb	Wednesday	January	Consumer price index (YoY%)	3.3	3.2
		December	Industrial production (YoY%)	-0.8	2.5
		December	CA balance (EUR mn, YTD)		-8,730
14-Feb	Thursday	Q4 2018	Flash GDP growth rate (YoY%)	3.9	4.4
		December	Turnover of market serv. provided to the population (YoY%)		9.1

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		11-Feb-19					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.3833	↑ 0.94	↑ 1.60	↓ -8.15		
OTP Obligatiuni	RON	15.3160	↑ 0.51	↑ 0.64	↑ 2.16		
OTP ComodisRO	RON	17.8354	↑ 0.20	↑ 0.30	↑ 2.71		
OTP Euro Bond	EUR	12.7377	↑ 0.33	↑ 0.39	↓ -0.60		
OTP Dollar Bond	USD	11.1229	↑ 0.48	↑ 0.58	↑ 0.80		
OTP Premium Return	RON	11.3640	↑ 1.13	↑ 1.64	↓ -3.73		
OTP Euro Premium Return	EUR	8.4392	↑ 0.17	↓ -0.74	↓ -13.20		
OTP Global Mix	RON	10.8994	↑ 1.54	↑ 1.99	↓ -5.83		

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