

## Treasury Sales Team

+40372 31 85 88

sales.treasury@otpbank.ro



### Chief Economist

**Gergely Tardos**

+36 1 374 7273

tardosg@otpbank.hu

### Analyst

**Csaba Bálint**

+4021 307 58 96

csaba.balint@otpbank.ro

# Daily Report – Romania

Date: 06.03.2019

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,917.90	↑ 0.04	↑ 3.25
BET-TR	11,681.60	↑ 0.09	↑ 3.24
BET-FI	35,557.15	↑ 0.98	↑ 2.04
BET-XT	725.73	↑ 0.22	↑ 2.97
TLV	2.0750	↓ -1.19	↑ 10.61
BRD	12.6400	↑ 1.12	↑ 6.22
SIF5	2.0450	↑ 0.74	↑ 0.74
SNG	31.1500	↑ 1.80	↑ 1.47
FP	0.8850	↑ 0.57	↑ 1.03

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.96	↓ -3.5	↓ -18.0
12 month	3.09	↓ -4.0	↓ -19.5
3 year	3.75	↓ -1.0	↓ -4.5
5 year	4.09	↓ -1.5	↓ -12.0
10 year	4.67	↓ -3.0	↓ -11.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	2.7Y	RON 400 mn	RON 543.8 mn
Thursday	3.8M	RON 400 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.54	↓ -21	↓ -96
3M ROBOR	3.18	↓ -4	↓ -10
6M ROBOR	3.32	↓ -3	↓ -8
1Y ROBOR	3.50	↓ -2	↓ -3
5Y CDS	95.09	↓ 0	↓ -1

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.7445	↓ -0.05	↑ 0.08
USD/RON	4.1964	↓ -0.03	↑ 0.64
CHF/RON	4.1754	↓ -0.09	↑ 0.28
HUF/RON	0.0150	↓ -0.02	↑ 0.32

Sources: Reuters, OTP Research

**Summary**

- In Q4, household consumption was the key driver of the economy; net exports registered a widening negative contribution to growth.
- Interbank lending rates and government securities' yields eased further yesterday.

This morning, the National Institute of Statistics confirmed Romania's Q4 GDP growth rate at 4.1% YoY (gross data) and 0.7% QoQ (seasonally and working day adjusted data). A quarter earlier, the country's economy grew by 4.2% YoY and 1.7% QoQ. In the whole year of 2018, Romania's GDP grew 4.1%, after 2017's very strong 7.0% gain, the NIS report also showed.

On the expenditure side, as we had [expected](#), household consumption was the key driver of the economy, posting 5.6% YoY gain, up from 4.4% in the previous quarter. On the other hand, net export shaved off 2.3 percentage points from the GDP growth as the domestic-demand-driven imports (+7.2% YoY) grew much faster than exports (+1.6% YoY). The latter was due to the sharp slowdown of the EZ economy, Romania's key trading partner. It is also worth noting that investments continued to fall, recording 3.3% annual drop in Q4.

On the production side, market services remained the main engine of the economy, adding 5.6% YoY, up from Q3's 3.7% annual increase. The surge in services was broad-based, with the ITC sector delivering the fastest growth pace (9.0% YoY). Nevertheless, value added in construction continued to shrink (-6.5% YoY, after Q3's 8.5% fall), while industrial output decelerated (+3.5% YoY, following +4.4% in Q3).

With regard to this year's outlook, we think that Romania's GDP growth rate may slow further, mainly as the weakening global economy, the fading effect of earlier stimulus measures, and the uncertainties triggered by several government measures will weigh on growth.

Yesterday Romania's leu firmed marginally (0.1%) against the euro. The move was in line with the trends seen elsewhere in the CEE region. Simultaneously, interbank lending rates and government securities yields continued to ease.

After the gains recorded in the previous few days, backed by positive news about the bank tax, Bucharest's key stock indices changed little on Wednesday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
4-Mar	Monday	January	Producer Price Index (YoY%)	3.9	4.5
5-Mar	Tuesday	January	Retail trade (YoY%)	6.6	4.0
6-Mar	Wednesday		no data		
<b>7-Mar</b>	<b>Thursday</b>	<b>Q4 2018</b>	<b>Detailed GDP growth rate (YoY%, provisional data)</b>	<b>4.1</b>	<b>4.1</b>
8-Mar	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		5-Mar-19					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.8436	↑ 3.49	↑ 6.10	↓ -5.66		
OTP Obligatiuni	RON	15.3716	↑ 0.48	↑ 1.00	↑ 2.37		
OTP ComodisRO	RON	17.8714	↑ 0.24	↑ 0.50	↑ 2.71		
OTP Euro Bond	EUR	12.7564	↑ 0.22	↑ 0.54	↓ -0.38		
OTP Dollar Bond	USD	11.1502	↑ 0.32	↑ 0.83	↑ 1.12		
OTP Premium Return	RON	11.4528	↑ 0.40	↑ 2.44	↓ -2.97		
OTP Euro Premium Return	EUR	8.3535	↓ -0.34	↓ -1.75	↓ -14.04		
OTP Global Mix	RON	11.0311	↑ 0.89	↑ 3.23	↓ -5.37		

## Disclaimer

OTP Bank Romania S.A. does not intend to present this document as an objective or independent explanation of the matters contained therein. This document a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and b) is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This communication does not contain a comprehensive analysis of the described issues. This report is issued for information purposes only and should not be interpreted as a suggestion, an invitation or an offer to enter into any transaction, as an investment advice, and it does not constitute legal, tax or accounting advice. Also it is not and should not be considered a recommendation for investment in financial instruments according to NSC Regulations no. 32/2006 and 15/2006.

Information herein reflects current market practices. Additional information may be available on request. This document is intended only for the direct and sole use of the selected customers of OTP Bank Romania S.A. Any form of reproduction or redistribution to any other person that the intended recipients, including publication in whole or in part for any purpose, must not be made without the express written agreement of OTP Bank Romania S.A. Although the information in this document has been prepared in good faith from sources which OTP Bank Romania S.A. believes to be reliable, we do not represent or warrant its accuracy and such information may be incomplete or condensed. The issuer of this report does not claim that the information presented herein is perfectly accurate or complete. However it is based on sources available to the public and widely believed to be reliable. Also the opinions and estimates presented herein reflect a professional subjective judgment at the original date of publication and are therefore subject to change thereafter without notice. Furthermore there can be no guarantees that any market developments will unfold as forecasted. Opinions and estimates constitute our judgment and are subject to change without notice.

OTP Bank Romania S.A. may have issued reports that are different or inconsistent with the information expressed within this report and is under no obligation to update or keep current the information contained herein.

OTP Bank Romania S.A. may hold a position or act as market maker in the financial instrument of any issuer discussed herein or act as advisor or lender to such issuer. This document is not intended to provide the basis for any evaluation of the financial instruments discussed herein. In particular, information in this document regarding any issue of new financial instruments should be regarded as indicative, preliminary and for illustrative purposes only, and evaluation of any such financial instruments should be made solely on the basis of information contained in the relevant offering circular and pricing supplement when available. OTP Bank Romania S.A. does not act as a fiduciary for or an advisor to any prospective purchaser of the financial instruments discussed herein and is not responsible for determining the legality or suitability of an investment in the financial instruments by any prospective purchaser.

This report is not intended to influence in any way or to be considered a substitute to research and advice centered on the specific investment objectives and constraints of the recipient (including tax concerns) therefore investors should obtain individual financial advice. Before purchasing or selling financial instruments or engaging investment services, please examine the prospectuses, regulations, terms, agreements, notices, fee letters, and any other relevant documents regarding financial instruments or investment services described herein in order to be capable of making a well-advised investment decision. Please refer to your competent adviser for advice on the risks, fees, taxes, potential losses and any other relevant conditions before you make your investment decision regarding financial instruments or investment services described herein. OTP Bank Romania S.A. in compliance with the applicable law, assumes no responsibility, obligation, warranty or guarantee whatsoever for any direct or indirect damage (including losses arising from investments), or for the costs or expenses, detrimental legal consequences or other sanctions (including punitive and consequential damage) sustained by any natural or legal person as a result of the purchase or sale of financial instruments or engaging investment services described herein, even if OTP Bank Romania S.A. was warned of the possibility of such occurrences.

Figures described herein refer to the past and past performance is not a reliable indicator of future results. Investments in financial instruments carry a certain degree of risk (fluctuation of share prices, uncertainty of dividend, yields and / or profits, exchange rate fluctuations, etc.). The capital invested is not guaranteed, investment gains, usually assumed proportionate to risk, and past performance of financial instruments is not a guarantee for future performance.

Please note that the Internet is not a secure environment and OTP Bank Romania S.A. does not accept any liability for any loss caused by the result of using this report in a form altered or delayed by the wilful or accidental interception, corruption or virus infection.

All rights reserved – OTP Bank Romania S.A. (registered seat: Street Buzesti, no. 66-68, 1st district Bucharest, Romania; company registration number: 01-10-041585; NBR registration no RB-PJR-40-028/1999; for further information please refer to: <https://www.otpbank.ro/en>).

This document has been provided to the recipients upon their prior request. Your abovementioned permission may be withdrawn by an e-mail addressed to [newsletters@otpbank.ro](mailto:newsletters@otpbank.ro) or a written mail addressed to OTP Bank Romania S.A , Buzesti Street, no. 66-68, 1st district, Bucharest, Romania. Please refer to your name and e-mail address in both cases.