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# Daily Report – Romania

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**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,018.97	↑ 0.90	↑ 2.05
BET-TR	11,825.13	↑ 0.90	↑ 1.99
BET-FI	35,761.09	↑ 0.16	↓ -0.07
BET-XT	733.24	↑ 0.72	↑ 1.65
TLV	2.1150	↑ 1.20	↑ 3.17
FP	0.8940	↑ 0.90	↑ 0.68
BRD	13.0000	↑ 1.09	↑ 4.00
SNG	31.1000	↑ 1.63	↑ 0.65
SNP	0.3675	↑ 0.96	↑ 5.30

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.87	→ 0.0	→ 0.0
12 month	3.00	↓ -1.0	↑ 2.5
3 year	3.64	↓ -1.0	↓ -1.5
5 year	4.10	↓ -0.5	↓ -3.0
10 year	4.74	↓ -0.5	↓ -3.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	9.9Y	RON 200 mn	RON 274 mn
Thursday	12M	RON 400 mn	

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.74	↓ -17	↑ 4
3M ROBOR	3.13	↑ 1	↑ 7
6M ROBOR	3.30	↓ -1	↑ 4
1Y ROBOR	3.50	↓ -1	↑ 4
5Y CDS	93.92	↑ 0	↓ 0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.7554	↓ -0.13	↓ -0.43
USD/RON	4.1662	↓ -0.69	↓ -1.19
CHF/RON	4.1973	↓ -0.03	↓ -0.05
HUF/RON	0.0152	↓ -0.36	↓ -0.17

Sources: Reuters, OTP Research

**Summary**

- The bank levy could be reduced to 0.2%-0.4%, government officials said yesterday.
- Romania's leu appreciated.
- Banking sector shares rose 1.1%-1.2%.
- Today the MoF plans to sell RON 400 mn government debt.

The tax on bank assets could be lowered to 0.2%-0.4%, depending on banks' market share. In addition, the government may exempt some assets from the levy, Finance Minister Eugen Teodorovici said yesterday. Banks with a market share under 1% would pay the lower, 0.2% levy and those above the 1% threshold would be subject to the higher tax rate. In addition, the changes could also include a new reference rate for households as well as special conditions aiming to narrow the interest rate margins applied by banks. The revised form of the bill is expected to be approved by the end of March. The declarations of Mr Teodorovici came after a meeting between the representatives of the Finance Ministry and the banking sector.

We recall that the under the initial form of the bill, the tax rate would have reached 1.2% in 2019 (supposing that 3M and 6M ROBOR rates stay in the 3%-3.5% range). Therefore, a significant reduction of the tax rates is favourable news for the banking sector and, implicitly, for credit growth.

Yesterday Romania's leu gained ground compared to the common European currency, outperforming most of its peers in the CEE region. The leu firmed 0.7% compared to the US dollar, after the EUR/USD cross climbed higher, driven by the dovish tone of the Fed's rate-setting meeting.

Government securities' yields eased marginally yesterday, while the Romanian stock index rose. Banking sector shares fared well: Banca Transilvania added 1.2% and BRD gained 1.1% too.

Today the Ministry of Finance puts up for sale RON 400 mn debt via a government security auction.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
18-Mar	Monday	January	Turnover of market serv. rendered mainly to enterp. (YoY%)	14.7	11.9
		January			
	January	CA balance (EUR mn, YTD)	-114	-9,416	
19-Mar	Tuesday		no data		
20-Mar	Wednesday		no data		
21-Mar	Thursday		no data		
22-Mar	Friday	February	New commercial vehicle registrations (YoY%)		0.4

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		19-Mar-19					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.8615	↑ 1.16	↑ 6.28	↓ -7.50		
OTP Obligatiuni	RON	15.4077	↑ 0.51	↑ 1.24	↑ 2.50		
OTP ComodisRO	RON	17.8911	↑ 0.25	↑ 0.61	↑ 2.75		
OTP Euro Bond	EUR	12.7766	↑ 0.30	↑ 0.70	↓ -0.22		
OTP Dollar Bond	USD	11.1683	↑ 0.33	↑ 0.99	↑ 1.32		
OTP Premium Return	RON	11.4860	↑ 0.45	↑ 2.74	↓ -3.29		
OTP Euro Premium Return	EUR	8.3881	↓ -0.05	↓ -1.34	↓ -13.66		
OTP Global Mix	RON	11.0811	↑ 0.97	↑ 3.69	↓ -5.84		

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