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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,031.50	↓ -0.20	↑ 2.16
BET-TR	11,843.60	↓ -0.20	↑ 2.16
BET-FI	35,697.86	↓ -0.53	↓ -0.12
BET-XT	734.03	↓ -0.17	↑ 1.71
TLV	2.1150	↓ -0.70	↑ 2.42
FP	0.8950	↓ -1.00	↑ 1.59
SNG	31.9000	↑ 2.08	↑ 5.80
SFG	18.0000	↓ -5.26	↓ -5.26
TBM	0.2930	↑ 4.09	↑ 4.09

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.88	↑ 1.0	↓ -2.0
12 month	3.01	↑ 1.0	→ 0.0
3 year	3.60	↑ 0.5	↓ -16.5
5 year	4.03	↑ 1.0	↓ -23.5
10 year	4.73	↑ 4.0	↓ -20.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12.5Y	RON 200 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.81	↑ 5	↑ 10
3M ROBOR	3.16	↑ 2	↑ 7
6M ROBOR	3.33	↑ 2	↑ 4
1Y ROBOR	3.52	↑ 2	↑ 2
5Y CDS	96.10	↓ 0	↑ 4

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.7545	↓ -0.04	↓ -0.07
USD/RON	4.2068	↑ 0.60	↑ 0.15
CHF/RON	4.2339	↑ 0.46	↑ 1.00
HUF/RON	0.0150	↓ -0.64	↓ -0.83

Sources: Reuters, OTP Research

Summary

- The tax on banks' assets could be cut to 0% for banks that boost lending and reduce interest rate margins, Romania's Finance minister said.
- Pessimism ruled global financial markets owing to growth fears.
- Despite the headwinds, Romania's leu remained stable compared to the euro.
- The BET gave up 0.2%, less than its Western European and US peers.

The banking sector levy could be cut to as low as to 0% for banks that boost lending (at least 8% increase in the stock of banks' loan) and narrow their interest rate margin, Finance Minister Eugen Teodorovici said on Friday. This came [after](#) the Ministry of Finance had announced plans to reduce the levy to 0.2%-0.4% (down from 1.2%), depending on banks' market share.

After a round of disappointing purchasing managers' index readings for the eurozone's key countries, and as the spread between the US 3M T-bill and the US 10Y note had dipped into negative territory for the first time since 2007, investor sentiment became pessimistic on Friday. Risky assets suffered from a sell-off, with both European and US stocks falling significantly (around 2%). Simultaneously, the US dollar appreciated 0.5% compared to the euro.

The CEE region's currencies were also hit, losing 0.3%-0.6% compared to the euro. Despite the headwinds, Romania's leu was stable, ending the trading session almost flat.

Government securities' yields mostly increased on Friday, while the ROBOR 3M also inched two basis points higher, to 3.16%.

Bucharest's BET index fared better than its Western European and US peers, giving up only 0.2%. In addition, energy companies, such as Romgaz and Electrica, were even able to close in positive territory.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
25-Mar	Monday		no data		
26-Mar	Tuesday	February	Non-government loans (YoY%)		8.4
		February	Non-government deposits (YoY%)		9.5
27-Mar	Wednesday		no data		
28-Mar	Thursday		no data		
29-Mar	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		21-Mar-19					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.9275	↑ 1.06	↑ 6.92	↓ -7.00		
OTP Obligatiuni	RON	15.4160	↑ 0.53	↑ 1.29	↑ 2.56		
OTP ComodisRO	RON	17.8931	↑ 0.24	↑ 0.63	↑ 2.74		
OTP Euro Bond	EUR	12.7852	↑ 0.37	↑ 0.77	↓ -0.12		
OTP Dollar Bond	USD	11.1734	↑ 0.35	↑ 1.04	↑ 1.40		
OTP Premium Return	RON	11.5152	↑ 0.68	↑ 3.00	↓ -2.99		
OTP Euro Premium Return	EUR	8.3979	↑ 0.24	↓ -1.22	↓ -13.69		
OTP Global Mix	RON	11.0951	↑ 1.01	↑ 3.83	↓ -5.81		

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