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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,954.29	↓ -0.96	↑ 0.90
BET-TR	11,729.75	↓ -0.96	↑ 0.90
BET-FI	35,271.00	↓ -1.20	↓ -1.38
BET-XT	726.80	↓ -0.98	↑ 0.45
BRD	12.6600	↓ -1.25	→ 0.00
SNN	9.7100	↓ -0.31	↑ 2.75
FP	0.8920	↓ -0.34	↑ 1.13
TLV	2.0700	↓ -2.13	↑ 0.49
SNG	32.0000	↑ 0.31	↑ 4.92

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.89	↑ 0.5	↑ 2.0
12 month	3.05	↑ 4.0	↑ 4.0
3 year	3.62	↑ 2.0	↓ -4.0
5 year	4.06	↑ 2.5	↓ -6.5
10 year	4.74	↑ 1.0	↓ -2.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	12.5Y	RON 200 mn	RON 214 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3.57	↑ 176	↑ 106
3M ROBOR	3.23	↑ 7	↑ 13
6M ROBOR	3.32	↓ -1	↑ 2
1Y ROBOR	3.53	↑ 1	↑ 4
5Y CDS	96.17	↑ 0	↑ 3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.7552	↑ 0.01	↓ -0.01
USD/RON	4.2034	↓ -0.08	↑ 0.21
CHF/RON	4.2352	↑ 0.03	↑ 1.17
HUF/RON	0.0150	↑ 0.21	↓ -0.70

Sources: Reuters, OTP Research

Summary

- Yesterday Romania's leu remained relatively stable; ROBOR rates mostly rose.
- The Ministry of Finance sold RON 214 mn debt, slightly more than planned (RON 200 mn).
- Equity markets fell as global growth fears lingered.
- Today the NBR publishes non-government credit and deposit statistics for February.

Global growth fears softened somewhat, but trading sentiment on financial markets remained rather gloomy yesterday too. We recall that global stock markets registered significant losses on Friday, after disappointing economic data about the eurozone and US economies put pressure on trading sentiment. Moreover, the spread between the interest rates on US 3M T-bill and US 10Y note had dipped into negative territory too, an indicator seen many as an accurate predictor for recessions. The inversion of the yield curve had caused further concerns among investors.

After Friday's rally of the US dollar, the EUR/USD cross stabilised near the 1.13 level yesterday. The CEE region's currencies recovered some of its earlier losses compared to the euro on Monday, while the EUR/RON continued to be traded in a rather tight range. Higher money market rates also supported the leu's resilience in the past few days.

On Monday, ROBOR rates surged at the short-end and the ROBOR 3M also rose by 7 basis points to 3.23%.

Simultaneously, the yield curve of government's securities shifted 1-4 bps higher. Yesterday's government bond auction benefited from healthy demand, with dealers subscribing for RON 545.5 mn. The Ministry of Finance decided to sell slightly more than planned (RON 214 mn vs. RON 200 mn) on 5.15% average yield.

Following the trends seen elsewhere in Europe, the BET closed the day in red, with Transelectrica (-2.7%) and Banca Transilvania (-2.1%) decreasing the most among the index's components.

Today the NBR will reveal non-government loan and deposit statistics for February. The data may provide some signs about the impact of stricter lending conditions for households as well as the uncertainties triggered by the tax on bank assets.

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		22-Mar-19					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.8674	↑ 1.04	↑ 6.34	↓ -6.04		
OTP Obligatiuni	RON	15.4177	↑ 0.52	↑ 1.31	↑ 2.57		
OTP ComodisRO	RON	17.8941	↑ 0.23	↑ 0.63	↑ 2.75		
OTP Euro Bond	EUR	12.7875	↑ 0.38	↑ 0.78	↓ -0.12		
OTP Dollar Bond	USD	11.1756	↑ 0.36	↑ 1.06	↑ 1.53		
OTP Premium Return	RON	11.4669	↑ 0.18	↑ 2.57	↓ -3.11		
OTP Euro Premium Return	EUR	8.3605	↓ -0.08	↓ -1.66	↓ -13.90		
OTP Global Mix	RON	11.0520	↑ 0.43	↑ 3.42	↓ -5.36		

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