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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,500.84	↑ 3.14	↑ 4.27
BET-TR	12,869.74	↑ 3.16	↑ 5.73
BET-FI	35,901.02	↑ 1.50	↑ 0.58
BET-XT	766.07	↑ 2.85	↑ 3.57
TLV	2.2800	↑ 3.64	↑ 8.31
BRD	11.3800	↑ 2.71	↑ 5.76
SNG	35.1000	↑ 2.93	↑ 4.15
SNP	0.3895	↑ 5.56	↑ 2.50
FP	0.9860	↑ 2.07	↑ 2.92

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.07	↓ -0.5	↓ -0.5
12 month	3.23	→ 0.0	↓ -0.5
3 year	3.82	→ 0.0	↑ 0.5
5 year	4.30	↓ -1.5	↑ 4.0
10 year	4.89	↓ -4.0	↓ -1.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	4.1Y	RON 500 mn	RON 746.7 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.92	↓ -4	↑ 122
3M ROBOR	3.27	→ 0	↓ -1
6M ROBOR	3.38	↓ -1	↓ -1
1Y ROBOR	3.54	→ 0	→ 0
5Y CDS	89.33	↓ 0	↓ -1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.7620	↑ 0.03	↓ -0.07
USD/RON	4.2663	↑ 0.28	↓ -0.05
CHF/RON	4.2320	↓ -0.13	↑ 0.22
HUF/RON	0.0146	↓ -0.42	↓ -0.36

Sources: Reuters, OTP Research

Summary

- Romania's ESI indicator signals modest economic slowdown for Q2 2019.
- The EUR/RON climbed a touch higher yesterday.
- Bucharest's stock indices soared on Tuesday.

In May, Romania's economic sentiment indicator (ESI) increased to 101.8 points, up from 101.2 a month earlier, a report of the European Commission (EC) showed. The modest pick-up was primarily due to strengthening consumer confidence. The consumer confidence indicator, which has 20% weight in the ESI, rose from -12.6 points to -9.9, as the financial situation of households improved, the population became more optimistic about the country's general economic outlook, and households' propensity to make major purchases increased too, the detailed statistics of the EC report showed. In addition, morale among managers in the services and construction sectors also improved. On the other hand, the sentiment indicators for industry and retail trade pointed to deterioration.

Nonetheless, in April-May, the ESI indicator stood at 101.5 points on average, down from Q1's 102.0, signalling that the country's economy may slow in the second quarter of this year, after posting a surprisingly strong, 5% annual growth pace in Q1. We expect a significant deceleration in Q2, owing to base effects and slower real wage growth.

It is also worth mentioning that the ESI indicator for the eurozone rebounded from April's multi-year low of 103.6, to 105.1 points in May. Nevertheless, in April-May, the indicator remained below its Q1's average (106.0).

Yesterday the EUR/RON climbed marginally higher (less than 0.1%), while Romania's leu lost 0.3% compared to the US dollar.

Despite the rather gloomy global trading sentiment, Bucharest's stock indices soared on Tuesday. The rebound came after market-friendly opposition parties won decisively Sunday's European Parliament (EP) elections. The preliminary results of the EP elections showed that PNL (National Liberal Party) won around 27% of the vote, while the ruling PSD (Social Democratic Party) came second with 23%. USR-PLUS alliance, another opposition power, won around 22%. Three other smaller parties will also send representatives to the EP, after Pro Romania, PMP and UDMR were able to exceed the 5% limit.

Tomorrow morning building permit statistics will see the light of day.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
27-May	Monday				
		no data			
28-May	Tuesday	May	Economic Sentiment Indicator	101.8	101.2
		May	Consumer Confidence Indicator	-9.9	-12.6
29-May	Wednesday				
		no data			
30-May	Thursday	April	Licenses for residential buildings (YoY%)		12.1
31-May	Friday				
		no data			

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		27-May-19					
Investment funds	ccy	last NAV/U	1m%		Ytd%	52W%	
OTP AvantisRO	RON	11.1134	↓ -0.44	↑	8.74	↑	2.78
OTP Obligatiuni	RON	15.5961	↑ 0.51	↑	2.48	↑	3.70
OTP ComodisRO	RON	17.9851	↑ 0.26	↑	1.14	↑	3.02
OTP Euro Bond	EUR	12.8765	↑ 0.24	↑	1.48	↑	0.78
OTP Dollar Bond	USD	11.2763	↑ 0.31	↑	1.97	↑	2.28
OTP Premium Return	RON	11.6293	↓ -0.21	↑	4.02	↓	-1.11
OTP Euro Premium Return	EUR	8.3954	↓ -1.14	↓	-1.25	↓	-12.72
OTP Global Mix	RON	11.1289	↓ -0.81	↑	4.14	↓	-5.13

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