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# Daily Report – Romania

Date: 19.06.2019

**STOCK EXCHANGE**

|        | Close     | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET    | 8,582.84  | ↑ 0.67         | ↓ -0.58         |
| BET-TR | 13,684.37 | ↑ 0.66         | ↓ -0.61         |
| BET-FI | 38,354.95 | ↑ 0.48         | ↑ 0.72          |
| BET-XT | 780.13    | ↑ 0.54         | ↓ -0.34         |
| SNP    | 0.3950    | ↑ 1.02         | → 0.00          |
| SNN    | 10.5000   | → 0.00         | ↓ -4.20         |
| TLV    | 2.3000    | ↑ 0.66         | ↓ -1.08         |
| BRD    | 12.0600   | → 0.00         | ↓ -0.33         |
| SNG    | 31.7500   | ↓ -0.16        | ↓ -2.61         |

**GOV'T BOND MARKET**

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month  | 3.00      | ↓ -0.5          | ↓ -1.0           |
| 12 month | 3.15      | ↓ -3.5          | ↓ -3.5           |
| 3 year   | 3.74      | ↓ -2.5          | ↓ -3.5           |
| 5 year   | 4.05      | ↓ -3.5          | ↓ -6.5           |
| 10 year  | 4.48      | ↓ -7.0          | ↓ -13.5          |

**GOV'T BOND AUCTIONS**

|          | Maturity | Auctions   | Sold |
|----------|----------|------------|------|
| Thursday | 1.3Y     | RON 300 mn |      |
| Thursday | 6.8Y     | RON 500 mn |      |

**MONEY MARKET**

|          | Rate (%/bp) | Daily chg (bp) | Weekly chg (bp) |
|----------|-------------|----------------|-----------------|
| ON ROBOR | 2.28        | ↓ -34          | ↓ -41           |
| 3M ROBOR | 3.23        | ↓ -1           | ↓ -1            |
| 6M ROBOR | 3.36        | ↓ -1           | ↓ -1            |
| 1Y ROBOR | 3.53        | ↓ -1           | ↓ -2            |
| 5Y CDS   | 80.55       | ↑ 0            | ↑ 1             |

**FX MARKET**

|         | Rate   | Daily chg. (%) | Weekly chg. (%) |
|---------|--------|----------------|-----------------|
| EUR/RON | 4.7296 | ↑ 0.16         | ↑ 0.12          |
| USD/RON | 4.2129 | ↓ -0.13        | ↑ 0.67          |
| CHF/RON | 4.2375 | ↑ 0.48         | ↑ 0.82          |
| HUF/RON | 0.0146 | ↑ 0.09         | ↓ -0.31         |

Sources: Reuters, OTP Research

**Summary**

- As expected, the Fed kept interest rates unchanged yesterday.
- Amid Wednesday's cautious trading sentiment, the CEE region's currencies weakened marginally; the EUR/RON cross climbed close to 4.73.
- The Ministry of Finance plans to sell RON 300 mn and RON 500 mn debt today.

Investors were rather cautious yesterday, digesting the ECB's dovish message (President Mario Draghi hinted at new stimulus measures if inflation fails to accelerate) and waiting for policy guidance from the Fed. In line with market expectations, the Fed kept its benchmark interest rate unchanged yesterday while also signalling a more dovish stance. Chairman Jerome Powell said that the Fed was committed to support the economy, suggesting that policy makers are prepared to cut rates if necessary.

Amid Wednesday's cautious trading sentiment, the CEE region's currencies weakened marginally against the euro. Romania's leu also lost some ground (0.2%), ending the trading session near 4.73.

At the same time, government securities' yields eased 1-7 basis points, with the most significant changes at the long end. It is worth mentioning that in the latest period, Romanian yields have been on a downward trend, driven mainly by global developments. As we noted in our last week's [inflation report](#), in the past few quarters market expectations moved from further tightening to monetary loosening in the case of the key central banks of the world. In line with this shift in expectations, yields mostly eased in the USA and in Europe as well.

Today the Finance Ministry organises two government security auctions in order to borrow RON 300 mn and RON 500 mn respectively.

Romanian stocks went higher yesterday, with the BET climbing 0.7%. Amid the BET's individual component, DIGI (+2.2%), Medlife (+2.1%) and Fondul Proprietatea (+1.5%) registered the most significant gains.

| Date   | PERIOD    | INDICATOR | FACT   | CONSENSUS | PREVIOUS |
|--------|-----------|-----------|--|-----------|----------|
| 17-Jun | Monday    |           | no data  |           |          |
| 18-Jun | Tuesday   | May       | New passenger car registrations (YoY%)                     | 12.6      | 13.9     |
| 19-Jun | Wednesday | April     | Turnover of market serv. rendered mainly to enterp. (YoY%) | 16.1      | 14.7     |
|        |           | April     | Wholesale turnover index (YoY%)                            | 7.3       | 6.7      |
| 20-Jun | Thursday  |           | no data  |           |          |
| 21-Jun | Friday    |           | no data  |           |          |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds |     | 18-Jun-19  |   |      |   |       |          |
|---------------------------|-----|------------|---|------|---|-------|----------|
| Investment funds          | ccy | last NAV/U |   | 1m%  |   | Ytd%  | 52W%     |
| OTP AvantisRO             | RON | 11.8568    | ↑ | 7.56 | ↑ | 16.02 | ↑ 8.25   |
| OTP Obligatiuni           | RON | 15.7754    | ↑ | 1.27 | ↑ | 3.66  | ↑ 4.83   |
| OTP ComodisRO             | RON | 18.0216    | ↑ | 0.29 | ↑ | 1.35  | ↑ 3.08   |
| OTP Euro Bond             | EUR | 13.0472    | ↑ | 1.38 | ↑ | 2.83  | ↑ 2.27   |
| OTP Dollar Bond           | USD | 11.4056    | ↑ | 1.21 | ↑ | 3.14  | ↑ 3.42   |
| OTP Premium Return        | RON | 11.8787    | ↑ | 2.36 | ↑ | 6.25  | ↑ 1.32   |
| OTP Euro Premium Return   | EUR | 8.5299     | ↑ | 1.41 | ↑ | 0.33  | ↓ -10.90 |
| OTP Global Mix            | RON | 11.2821    | ↑ | 1.31 | ↑ | 5.58  | ↓ -3.59  |

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