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Daily Report – Romania

Date: 24.06.2019

STOCK EXCHANGE

| | Close | Daily chg. (%) | Weekly chg. (%) |
|--------|-----------|----------------|-----------------|
| BET | 8,625.92 | ↓ -1.38 | ↑ 1.43 |
| BET-TR | 13,804.04 | ↓ -1.02 | ↑ 1.79 |
| BET-FI | 38,191.35 | ↓ -1.31 | ↓ -0.10 |
| BET-XT | 782.71 | ↓ -1.20 | ↑ 1.14 |
| TLV | 2.3800 | ↑ 0.63 | ↑ 3.93 |
| FP | 1.0200 | ↓ -3.32 | ↑ 0.99 |
| SNG | 31.7500 | ↓ -0.78 | ↓ -0.78 |
| BRD | 12.4000 | ↑ 0.32 | ↑ 2.82 |
| TGN | 350.5000 | ↓ -5.01 | ↓ -5.14 |

GOV'T BOND MARKET

| Maturity | Yield (%) | Daily chg. (bp) | Weekly chg. (bp) |
|----------|-----------|-----------------|------------------|
| 6 month | 2.95 | ↓ -1.5 | ↓ -8.0 |
| 12 month | 3.09 | ↓ -4.0 | ↓ -12.0 |
| 3 year | 3.66 | ↓ -2.5 | ↓ -11.0 |
| 5 year | 3.98 | ↓ -1.5 | ↓ -13.5 |
| 10 year | 4.42 | ↓ -2.0 | ↓ -18.0 |

GOV'T BOND AUCTIONS

| | Maturity | Auctions | Sold |
|--------|----------|------------|------------|
| Monday | 4.3Y | RON 500 mn | RON 500 mn |

MONEY MARKET

| | Rate (%/bp) | Daily chg (bp) | Weekly chg (bp) |
|----------|-------------|----------------|-----------------|
| ON ROBOR | 2.70 | ↑ 102 | ↑ 5 |
| 3M ROBOR | 3.23 | → 0 | ↓ -1 |
| 6M ROBOR | 3.36 | ↓ -1 | ↓ -1 |
| 1Y ROBOR | 3.54 | ↑ 1 | → 0 |
| 5Y CDS | 80.38 | ↑ 1 | ↓ 0 |

FX MARKET

| | Rate | Daily chg. (%) | Weekly chg. (%) |
|---------|--------|----------------|-----------------|
| EUR/RON | 4.7214 | ↓ -0.17 | ↑ 0.04 |
| USD/RON | 4.1420 | ↓ -0.41 | ↓ -1.61 |
| CHF/RON | 4.2617 | ↑ 0.12 | ↑ 0.97 |
| HUF/RON | 0.0146 | ↑ 0.03 | ↓ -0.40 |

Sources: Reuters, OTP Research

Summary

- Coalition parties support Mr Isarescu for a new five-year mandate, ALDE leader Mr Tariceanu said yesterday.
- In May, new commercial vehicle registrations rose by 5.5% YoY.
- The leu firmed 0.2% yesterday.

Following a yesterday's meeting, the leaders of ruling PSD (Social Democratic Party) and ALDE (Alliance of Liberals and Democrats) parties decided to support Mr Isarescu for a new five-year mandate as governor of the National Bank of Romania, the head of ALDE Mr Tariceanu said. Next week, lawmakers are expected to hold an extraordinary parliamentary session in order to elect the new leadership of Romania's central bank.

In May, the number of new commercial vehicle registrations rose by 5.5% YoY, down from April's 21.6% YoY growth pace, a report of the ACEA (European Automobile Manufacturers Association) showed this morning. Undoubtedly, May's data correspond to a significant slowdown compared to April but, on average, data for the period of April-May still point to faster growth than in Q1 (6.2% YoY), which is positive news for the perspective of investment in Q2. Nevertheless, it is important to add that the share of investment into equipment is low in total investments, therefore the relatively good performance of commercial vehicle sales cannot offset a significant setback in other areas, if that will be the case.

Modest pessimism characterised yesterday's trading mood on global financial markets, with equities closing mostly in negative territory. Nonetheless, government securities' yields in key developed markets, and particularly in the USA, eased a few basis points, fuelled by expectations that the Fed will cut interest rate later this year. Lower yields on the external front made CEE region currencies more attractive. Accordingly, Romania's leu firmed 0.2% compared to the euro.

On the other hand, Bucharest's key equity indices ended the day with significant losses (between 0.7% and 2.0%).

On Monday, the Ministry of Finance sold the planned RON 500 mn debt via 4.3Y bonds. The demand was rather mediocre, with commercial banks bidding for RON 710.6 mn. The average accepted yield stood at 4.02%.

| Date | PERIOD | INDICATOR | FACT | CONSENSUS | PREVIOUS |
|--------|-----------|---------------------------------------------|------|-----------|----------|
| 24-Jun | Monday | | | | |
| | | no data | | | |
| 25-Jun | Tuesday | | | | |
| | | New commercial vehicle registrations (YoY%) | 5.5 | | 21.6 |
| 26-Jun | Wednesday | | | | |
| | | no data | | | |
| 27-Jun | Thursday | | | | |
| | May | Non-government loans (YoY%) | | | 7.6 |
| | May | Non-government deposits (YoY%) | | | 9.9 |
| | June | Economic Sentiment Indicator | | | 101.8 |
| | June | Consumer Confidence Indicator | | | -9.9 |
| 28-Jun | Friday | | | | |
| | May | Licenses for residential buildings (YoY%) | | | -1.9 |

Sources: NIS, NBR, Reuters, OTP Research

| OTP AM – Investment Funds | | 21-Jun-19 | | | | | |
|---------------------------|-----|------------|---|------|---|-------|---------|
| Investment funds | ccy | last NAV/U | | 1m% | | Ytd% | 52W% |
| OTP AvantisRO | RON | 11.9916 | ↑ | 9.18 | ↑ | 17.34 | ↑ 10.24 |
| OTP Obligatiuni | RON | 15.8438 | ↑ | 1.65 | ↑ | 4.11 | ↑ 5.28 |
| OTP ComodisRO | RON | 18.0240 | ↑ | 0.27 | ↑ | 1.36 | ↑ 3.09 |
| OTP Euro Bond | EUR | 13.1257 | ↑ | 1.94 | ↑ | 3.45 | ↑ 2.87 |
| OTP Dollar Bond | USD | 11.4566 | ↑ | 1.64 | ↑ | 3.60 | ↑ 3.88 |
| OTP Premium Return | RON | 11.9779 | ↑ | 2.91 | ↑ | 7.14 | ↑ 2.41 |
| OTP Euro Premium Return | EUR | 8.6024 | ↑ | 2.15 | ↑ | 1.18 | ↓ -9.27 |
| OTP Global Mix | RON | 11.3479 | ↑ | 1.67 | ↑ | 6.19 | ↓ -2.50 |

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