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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,087.71	↓ -0.93	↓ -2.46
BET-TR	11,483.77	↓ -0.93	↓ -2.47
BET-FI	37,415.09	↓ -0.88	↑ 2.55
BET-XT	751.70	↓ -0.99	↓ -1.57
TLV	2.33	↓ -2.10	↓ -4.90
BRD	13.02	↓ -1.96	↓ -2.69
SNG	36.40	↓ -0.27	↓ -0.82
SNP	0.31	↓ -1.42	↓ -3.99
FP	0.90	↑ 0.34	↓ -0.33

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.90	↑ 0.5	↑ 0.5
12 month	3.03	→ 0.0	↑ 2.5
3 year	3.85	↑ 2.0	↑ 1.5
5 year	4.54	↑ 1.5	↑ 0.5
10 year	4.91	↑ 1.5	↑ 0.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2.8Y	RON 300 mn	RON 319 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.58	↓ -5.0	↓ -15.0
3M ROBOR	2.93	↑ 1.0	↑ 3.0
6M ROBOR	3.04	↑ 1.0	↑ 4.0
1Y ROBOR	3.14	↑ 1.0	↑ 3.0
5Y CDS	84.65	↑ 0.1	↑ 1.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6702	↑ 0.04	↑ 0.18
USD/RON	4.0296	↑ 0.32	↑ 1.52
CHF/RON	4.0536	↑ 0.43	↑ 0.76
HUF/RON	0.0145	↑ 0.40	↓ -0.68

Sources: Reuters, OTP Research

Summary

- Yesterday trade tensions between the world's two largest economies remained in the spotlight.
- The leu weakened marginally.
- The ROBOR 3M reached 2.93%.
- On Tuesday, the BET gave up 0.9%.

Pessimism continued to rule global financial markets on Tuesday too, as the escalation of trade tensions put pressure on trading mood. This came after US President Mr Trump threatened to introduce new tariffs on USD 200 bn in imported goods from China. Moreover, Mr Trump also noted that if China retaliates to those new levies, US authorities would seek for USD 200 bn more worth of goods. These could come on the top of the already approved tariffs on USD 50 bn imports from China. According to US President the actions aims to encourage China to change its unfair practices and accept a more balanced trade relationship. At the same time, in Germany, Merkel's fragile governing coalition remained under pressure owing to conflicts over immigration policy.

In yesterday's gloomy trading sentiment, safe haven currencies firmed. Accordingly, the EUR/USD broke below 1.16, supported also by a speech of ECB chief Mario Draghi. 'Significant monetary policy accommodation is still needed' to support inflation, Mr Draghi said in a conference yesterday. At the same time, the CEE region's currencies mostly weakened compared to the euro. Romania's leu depreciated marginally, lifting the cross to 4.67.

On Tuesday, interbank lending rates rose slightly, with the ROBOR 3M increasing to 2.93%, up from 2.92% a day earlier. We note that the NBR continued to organise one-week deposit tenders. On Monday, Romania's central banks absorbed RON 5.48 bn.

Yesterday government securities' yields rose by one basis point on average.

In line with its main global peers, Bucharest's BET index gave up 0.9%, after only the shares of Electrica (+1.0%) and the FP (+0.3%) were able to inch higher. On both side of the Atlantic, key equity markets closed in red.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
18-Jun	Monday				
19-Jun	Tuesday				
20-Jun	Wednesday				
21-Jun	Thursday				
22-Jun	Friday				

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		18-Jun-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.9528	↑ 0.09	↓ -1.14	↑ 2.28		
OTP Obligatiuni	RON	15.0479	↑ 0.03	↑ 0.66	↑ 1.44		
OTP ComodisRO	RON	17.4831	↑ 0.18	↑ 0.95	↑ 1.57		
OTP Euro Bond	EUR	12.7581	↓ -0.21	↓ -0.60	↑ 0.10		
OTP Dollar Bond	USD	11.0279	↑ 0.04	↑ 0.05	↑ 0.70		
OTP Premium Return	RON	11.7235	↓ -0.40	↓ -1.04	↑ 1.06		
OTP Euro Premium Return	EUR	9.5731	↓ -1.08	↓ -4.39	↓ -2.46		
OTP Global Mix	RON	11.7024	↓ -0.35	↑ 0.25	↑ 3.30		

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