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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,124.00	↓ -0.14	↓ -0.50
BET-TR	11,535.27	↓ -0.14	↓ -0.51
BET-FI	37,289.71	↑ 0.07	↓ -1.47
BET-XT	754.53	↓ -0.04	↓ -0.62
BRD	13.10	↑ 0.15	↓ -0.76
SNP	0.32	↓ -0.63	↑ 0.96
TLV	2.36	↑ 0.21	↓ -1.87
SNG	36.65	↓ -0.14	↑ 0.83
EL	9.84	↑ 2.61	↓ -0.30

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	2.94	↑ 3.0	↑ 4.0
12 month	3.08	↑ 4.0	↑ 6.0
3 year	3.92	↑ 6.0	↑ 8.5
5 year	4.60	↑ 4.0	↑ 5.5
10 year	4.92	↑ 0.5	↑ 1.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	2.8Y	RON 300 mn	RON 319 mn
Thursday	13.3Y	RON 200 mn	RON 88.9 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.60	↑ 9.0	↓ -5.0
3M ROBOR	2.95	↑ 2.0	↑ 5.0
6M ROBOR	3.07	→ 0.0	↑ 5.0
1Y ROBOR	3.17	→ 0.0	↑ 5.0
5Y CDS	85.08	↑ 0.2	↑ 1.1

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6698	↓ -0.05	↑ 0.10
USD/RON	4.0249	↓ -0.30	↓ -0.20
CHF/RON	4.0580	↑ 0.27	↑ 0.30
HUF/RON	0.0143	↓ -0.80	↓ -0.97

Sources: Reuters, OTP Research

Summary

- Romania's most powerful politician was condemned to jail; the sentence is not final.
- Yesterday the EUR/RON marked an intra-day spike, but ended the trading session almost flat.
- Government securities' yields rose by four basis points on average.
- The BET gave up 0.1%; the main global equity benchmarks fell sharply.

On Thursday, investors worried that the escalation of trade tensions could translate into headwinds for the global economy. In Europe, concerns coming from the Italian political scene also weighed on sentiment. At the same time, on the domestic front, a decision of the Supreme Court was in the spotlight, after it condemned Mr Dragnea, the leader of the ruling Social Democratic party, for three years and six months in jail for instigating to abuse in office. It is important to add that Mr Dragnea can appeal, as the jail sentence is not final. The news triggered street protests demanding the resignation of the country's most powerful politician. Senior members of Social Democrats plan to hold a meeting today.

On the back of yesterday's gloomy trading mood, the CEE region's currencies mostly weakened, with the Hungarian forint losing the most (around 0.7%). The EUR/RON also marked a sharp spike, but later the cross bucked the trends seen elsewhere in the CEE region and returned to 4.67, ending the session almost flat. Compared to the US dollar, the leu firmed 0.3%, after the EUR/USD climbed somewhat higher.

The Treasury sold RON 88.9 mn debt via 13Y bonds, less than planned (RON 200 mn).

On Thursday, government securities yields' curve shifted 4 bps higher on average. The ROBOR 3M, the main benchmark in the case of loans with variable interest rate rose 2 bps to 2.95%.

The main Western European equity indices registered significant losses, as trade war fears and political worries in Italy put pressure on risky assets. Simultaneously, US stocks also dipped lower. In Bucharest, the BET index decreased slightly (-0.1%), after its individual components moved in mixed directions.

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		20-Jun-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.8746	↓ -0.63	↓ -1.85	↑ 1.68		
OTP Obligatiuni	RON	15.0478	↑ 0.03	↑ 0.66	↑ 1.41		
OTP ComodisRO	RON	17.4836	↑ 0.19	↑ 0.95	↑ 1.56		
OTP Euro Bond	EUR	12.7576	↓ -0.21	↓ -0.61	↑ 0.07		
OTP Dollar Bond	USD	11.0298	↑ 0.05	↑ 0.07	↑ 0.72		
OTP Premium Return	RON	11.7076	↓ -0.53	↓ -1.18	↑ 0.83		
OTP Euro Premium Return	EUR	9.5283	↓ -1.54	↓ -4.84	↓ -2.99		
OTP Global Mix	RON	11.6708	↓ -0.62	↓ -0.02	↑ 2.82		

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