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# Daily Report – Romania

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**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,943.05	↓ -0.96	↓ -0.28
BET-TR	11,363.92	↓ -0.98	↓ -0.33
BET-FI	37,716.24	↑ 0.48	↑ 0.36
BET-XT	742.61	↓ -0.79	↓ -0.03
SNP	0.33	↑ 0.78	↑ 5.86
TLV	2.32	↓ -2.11	↓ -0.85
FP	0.88	↑ 0.23	↓ -0.23
SNG	36.80	↓ -0.14	↑ 0.68
BRD	12.70	↓ -1.24	↓ -1.40

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.39	↑ 1.5	↓ -2.0
12 month	3.48	↑ 1.0	↑ 1.0
3 year	4.37	↓ -1.5	↑ 7.0
5 year	4.81	↑ 0.5	↓ -9.5
10 year	5.17	↑ 0.5	↓ -9.0

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	2.3Y	RON 300 mn	RON 381 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	3.44	↑ 1.0	↑ 5.0
3M ROBOR	3.27	↑ 3.0	↑ 13.0
6M ROBOR	3.32	↑ 3.0	↑ 8.0
1Y ROBOR	3.37	↑ 3.0	↑ 7.0
5Y CDS	83.48	↓ -0.1	↓ -0.5

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6595	↓ -0.06	↓ -0.02
USD/RON	3.9958	↓ -0.25	↓ -0.10
CHF/RON	4.0282	↓ -0.05	↓ -0.24
HUF/RON	0.0142	↑ 0.76	↓ -0.41

Sources: Reuters, OTP Research

**Summary**

- The monetary policy meeting of the NBR is in the spotlight today.
- On Tuesday, the ROBOR 3M hit 3.27%.
- The EUR/RON ended yesterday's trading session below 4.66.
- The BET gave up 1%.

Today's key event will be the monetary policy meeting of the NBR. The majority of analysts (six out of ten, including us) expect that the central bank will raise its benchmark rate again by 25 bps. We [recall](#) that at the previous meeting in May, the Board decided to increase the policy rate to 2.50%, from 2.25%. This was the third rate hike since the beginning of 2018. The NBR started the normalisation cycle earlier than most of its peers, as Romanian consumer price inflation marked a sharp revival in the past few quarters, while the latest developments in the external environment also added to the pressure. It should be also noted that interbank lending rates have risen more than the policy rate would suggest. The ROBOR 3M, the primary benchmark for loans with variable interest rate, hit 3.27% yesterday, which is significantly higher than a year earlier (0.9%).

On Tuesday, trading sentiment was mixed on global financial markets. In Europe, fears eased on the back of German Chancellor Angela Merkel's last-minute deal on immigration issues with her coalition partners. Earlier, disagreements inside the government threatened to lead to a collapse of Merkel's cabinet. The relief helped the euro to strengthen slightly compared to the US dollar. Simultaneously, Romania's leu firmed somewhat, with the EUR/RON ending yesterday's trading session slightly below 4.66.

Despite the positive sentiment in other European stock markets, the BET lost around 1.0% as only the shares of OMW Petrom and Fondul Proprietatea were able to end the day in green. On the other side of the Atlantic, the leading equity indices finished in negative territory. Today trading is closed in the USA owing to Independence Day holiday.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
2-Jul	Monday	June	FX Reserves (EUR bn)	31.8	33.1
		May	ILO unemployment rate (%; seasonally adjusted)	4.6	4.6
3-Jul	Tuesday	May	Producer Price Index (YoY%)	5.2	4.2
		May	Retail trade (YoY%)	6.4	6.4
		May	Tourists' overnight stays (YoY%)	0.7	1.1
4-Jul	Wednesday	July	Base rate decision (%)	2.75	2.50
5-Jul	Thursday		no data		
6-Jul	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		2-Jul-18						
Investment funds	ccy	last NAV/U		1m%		Ytd%		52W%
OTP AvantisRO	RON	10.8284	↑	1.98	↓	-2.27	↑	5.18
OTP Obligatiuni	RON	15.0397	↑	0.02	↑	0.60	↑	1.49
OTP ComodisRO	RON	17.4887	↑	0.14	↑	0.98	↑	1.57
OTP Euro Bond	EUR	12.7517	↓	-0.12	↓	-0.65	↑	0.22
OTP Dollar Bond	USD	11.0296	↑	0.09	↑	0.07	↑	0.80
OTP Premium Return	RON	11.5869	↓	-0.70	↓	-2.20	↑	0.54
OTP Euro Premium Return	EUR	9.3643	↓	-1.99	↓	-6.47	↓	-3.95
OTP Global Mix	RON	11.4813	↓	-1.50	↓	-1.64	↑	2.65

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