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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,933.45	↑ 0.16	↑ 1.25
BET-TR	11,554.46	↑ 0.15	↑ 1.28
BET-FI	37,821.58	↑ 0.26	↑ 0.46
BET-XT	738.95	↑ 0.08	↑ 0.85
TLV	2.46	↑ 0.82	↑ 5.13
TGN	309.00	↑ 0.98	↓ -0.96
FP	0.89	↑ 0.23	↑ 0.11
BRD	13.10	↓ -1.21	↑ 2.34
SNG	32.70	↓ -0.46	↑ 2.83

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.28	↓ -0.5	↓ -7.5
12 month	3.37	→ 0.0	↓ -6.5
3 year	4.21	↓ -2.0	↓ -11.5
5 year	4.70	↓ -2.0	↓ -4.0
10 year	4.92	↓ -2.5	↓ -22.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	13.2Y	RON 200 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.63	↓ -7.0	↓ -71.0
3M ROBOR	3.35	→ 0.0	↓ -4.0
6M ROBOR	3.47	↑ 1.0	→ 0.0
1Y ROBOR	3.56	↑ 1.0	↑ 3.0
5Y CDS	82.95	↓ -0.1	↓ -0.5

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6528	↓ -0.12	↓ -0.16
USD/RON	3.9808	↓ -0.27	↑ 0.29
CHF/RON	3.9740	↓ -0.20	↓ -0.87
HUF/RON	0.0144	↑ 0.42	↓ -0.11

Sources: Reuters, OTP Research

Summary

- Mixed economic data came out for May.
- Today the NBR will release balance of payment statistics.
- The EUR/RON ended last week close to 4.65.
- Bucharest's BET index rose 0.2% on low turnover.

In May, the turnover index of market services rendered mainly to enterprises posted 5.1% YoY growth (gross data), down from April's 9.2% YoY advance, the NIS said this morning. In month-over-month comparison, the turnover index fell by 0.4% (seasonally and working day adjusted data), the report also said. The largest deceleration was seen in the case of IT services (1.8% YoY fall vs. 14.5% YoY gain a month earlier).

On the other hand, wholesale trades increased by 10.6% YoY (gross data) and 1.1% MoM (SWDA) in the fifth month of this year, the NIS also revealed. This came after 12.0% YoY and 4.7% MoM increases in April.

We note that in the first two months of Q2, economic data were mixed. Industry's performance was rather modest, while the construction sector continued to provide signs of weakness. Early statistics also suggested that market services may have remained the primary driver of the economy in Q2. We expected the country's economy to post a strong QoQ GDP growth rate in Q2, recovering after the Q1's disappointing outturn (+0.1% QoQ). Nonetheless, the fresh data for April and May translate into downside risks to our optimistic expectations for the second quarter. The flash Q2 GDP estimate of the NIS will be published on 14 August.

Today Romania's central bank publishes current account balance statistics for the period of January-May.

On Friday, modest optimism characterised global financial markets, with investors shifting their focus from trade war concerns to company earnings updates. The EUR/RON eased by 0.1%, with the cross finishing the day a touch above 4.65. Elsewhere in the CEE region, currencies also strengthened compared to the euro.

Today the Ministry of Finance plans to sell RON 200 mn debt via bonds maturing in September 2031.

In Bucharest, the majority of equity indices registered small gains on low volumes. The BET increased by 0.2%.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
16-Jul	Monday	May	Turnover of market serv. rendered mainly to enterp. (YoY%)	5.1	9.2
		May	Wholesale turnover index (YoY%)	10.6	12.0
		May	CA balance (EUR mn, YTD)		-2,053
17-Jul	Tuesday	June	New passenger car registrations (YoY%)		43.3
18-Jul	Wednesday		no data		
19-Jul	Thursday		no data		
20-Jul	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		12-Jul-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.8140	↓ -1.66	↓ -2.40	↑ 1.38		
OTP Obligatiuni	RON	15.0554	↑ 0.09	↑ 0.71	↑ 1.59		
OTP ComodisRO	RON	17.4920	↑ 0.10	↑ 1.00	↑ 1.55		
OTP Euro Bond	EUR	12.7660	↑ 0.06	↓ -0.54	↑ 0.42		
OTP Dollar Bond	USD	11.0442	↑ 0.20	↑ 0.20	↑ 0.90		
OTP Premium Return	RON	11.6838	↓ -0.70	↓ -1.38	↑ 1.31		
OTP Euro Premium Return	EUR	9.5153	↓ -1.03	↓ -4.97	↓ -2.64		
OTP Global Mix	RON	11.6126	↓ -1.03	↓ -0.52	↑ 3.19		

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