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# Daily Report – Romania

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**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	7,984.18	↑ 0.64	↑ 1.51
BET-TR	11,630.38	↑ 0.66	↑ 1.53
BET-FI	37,910.00	↑ 0.23	↑ 1.10
BET-XT	743.15	↑ 0.57	↑ 1.13
BRD	13.20	↑ 0.76	↑ 2.17
SNP	0.32	↓ -0.31	↓ -1.52
EL	9.10	→ 0.00	↓ -3.19
FP	0.89	↑ 0.56	↑ 1.14
TGN	323.00	↑ 4.53	↑ 3.36

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.28	↓ -0.5	↓ -8.5
12 month	3.37	↓ -0.5	↓ -6.5
3 year	4.19	↓ -1.5	↓ -10.5
5 year	4.70	→ 0.0	↓ -3.5
10 year	4.93	↑ 0.5	↓ -20.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	13.2Y	RON 200 mn	RON 209.8 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.59	↓ -4.0	↓ -65.0
3M ROBOR	3.35	→ 0.0	↓ -3.0
6M ROBOR	3.47	→ 0.0	↑ 1.0
1Y ROBOR	3.56	→ 0.0	↑ 3.0
5Y CDS	82.98	↑ 0.0	↓ -0.2

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6568	↑ 0.09	↓ -0.04
USD/RON	3.9762	↓ -0.11	↑ 0.30
CHF/RON	3.9887	↑ 0.37	↓ -0.23
HUF/RON	0.0144	↑ 0.05	↑ 0.13

Sources: Reuters, OTP Research

**Summary**

- Romania's current account deficit widened in May.
- Last month, new car sales rose by more than 50% in annual terms.
- Yesterday the leu weakened slightly (0.1%) compared to the euro.

In the period of January-May, Romania's current account (C/A) deficit reached EUR 3,018 mn, up from EUR 2,606 mn in the same period of the previous year, the latest statistics of the NBR revealed. The higher gap in the case of goods (EUR 4.64 bn vs. EUR 4.05 bn) as well as the shrinking surplus at the balance of services (EUR 3.02 bn vs. EUR 3.20 bn) were the main drivers behind the worsening external balance. Simultaneously, the balance of primary and secondary incomes improved modestly. The twelve-month rolling C/A deficit rose to 3.5% of GDP in May, up from 3.4% in April, our in-house estimation showed. At the end of 2017, it stood slightly below 3.4%. We recall that household consumption lost impetus at the beginning of this year, as real wage growth slowed and consumer sentiment deteriorated significantly. However, several high-frequency statistics suggested that consumption might have recovered to some extent in the second quarter as wage growth re-accelerated and sentiment stabilised. The stronger domestic demand is expected to have a negative impact on the C/A balance starting from Q2. Therefore, we think that the [C/A deficit](#) may widen to 4.0% of GDP at the end of 2018.

In the first five months of 2018, inward foreign direct investments rose to EUR 1.72 bn from EUR 1.46 bn, the NBR also said in a statement.

In May, new passenger car sales rose by 52.4% YoY, after posting 43.3% YoY gain a month earlier, the ACEA (European Automobile Manufacturers Association) said in a report this morning. At the level of the EU, new registrations increased by 5.2% YoY. Dacia continued to increase its market shares in Europe (to 3.6%), posting 11.5% YoY advance in June.

On Monday, the leu weakened slightly (0.1%) compared to the euro, after trading in the range of 4.65-4.66. The other currencies of the CEE region mostly firmed, while the EUR/USD inched higher.

Yesterday the Treasury sold more than planned in 13Y bonds (RON 209.8 mn vs. RON 200 mn).

The BET outperformed its Western European and US peers, adding 0.6%.

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	<b>CA balance (EUR mn, YTD)</b>	<b>-3,018</b>	<b>-2,053</b>	
17-Jul	Tuesday	June	New passenger car registrations (YoY%)	52.4	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		13-Jul-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.8074	↓ -2.40	↓ -2.46	↑ 1.30		
OTP Obligatiuni	RON	15.0577	↑ 0.10	↑ 0.73	↑ 1.58		
OTP ComodisRO	RON	17.4931	↑ 0.10	↑ 1.00	↑ 1.56		
OTP Euro Bond	EUR	12.7678	↑ 0.08	↓ -0.53	↑ 0.40		
OTP Dollar Bond	USD	11.0462	↑ 0.21	↑ 0.22	↑ 0.91		
OTP Premium Return	RON	11.6861	↓ -0.65	↓ -1.36	↑ 1.25		
OTP Euro Premium Return	EUR	9.5361	↓ -0.63	↓ -4.76	↓ -2.61		
OTP Global Mix	RON	11.6191	↓ -0.98	↓ -0.46	↑ 3.09		

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