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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,127.85	↑ 0.54	↓ -1.26
BET-TR	11,839.67	↑ 0.55	↓ -1.26
BET-FI	37,745.87	↓ -0.29	↓ -0.32
BET-XT	752.64	↑ 0.36	↓ -1.40
TLV	2.36	↑ 1.07	↑ 1.51
BRD	13.86	↑ 2.06	↓ -3.35
FP	0.89	↓ -0.34	↓ -0.45
SNP	0.32	↑ 0.94	↓ -3.31
SIF5	2.10	↑ 0.72	→ 0.00

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.20	↑ 3.5	↓ -3.0
12 month	3.32	↑ 2.0	↓ -3.0
3 year	4.01	→ 0.0	↓ -0.5
5 year	4.50	→ 0.0	→ 0.0
10 year	4.81	↑ 1.5	↑ 7.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.2Y	RON 400 mn	RON 90.7 mn
Thursday	13.1Y	RON 100 mn	RON 91.9 mn

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.63	↓ -2.0	↓ -5.0
3M ROBOR	3.28	↑ 2.0	↓ -5.0
6M ROBOR	3.42	↓ -1.0	↓ -3.0
1Y ROBOR	3.54	↓ -1.0	↓ -2.0
5Y CDS	82.73	↑ 0.2	↑ 0.3

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6565	↓ -0.20	↑ 0.04
USD/RON	4.0934	↓ -0.46	↑ 1.37
CHF/RON	4.1060	↓ -0.78	↑ 1.03
HUF/RON	0.0144	↑ 0.05	↓ -0.85

Sources: Reuters, OTP Research

Summary

- Risk appetite rebounded yesterday; the leu firmed slightly.
- The Treasury sold 13Y bonds in value of RON 91.9 mn, slightly below target.
- Global equity markets rallied; the BET also gained 0.5%.

On Thursday risk appetite rebounded on global financial markets, bolstered by positive news. The waves of the Turkish currency crisis abated somewhat, after Qatar pledged to invest USD 15 bn in Turkey. This came after a meeting between Turkey's President Erdogan and Qatar's Sheikh Tamim bin Hamad Al Thani on Wednesday. Moreover, news that China will send a delegation to the USA later this month in order to talk about economic and trade issues, also helped to mitigate trade war fears. The rebounding optimism helped risky assets to recover, while the US dollar weakened slightly (0.3%) compared to the euro. The CEE region's currencies firmed 0.1%-0.4% against the euro and Romania's leu also appreciated following the trends seen elsewhere in the region.

Interbank lending rates showed little variation on Thursday, with the ROBOR 3M climbing two basis point higher to 3.28%. Government securities' yields pointed to small changes too.

Romania's Treasury organised a debt tender yesterday, in order to sell bonds maturing in September 2031. Debt managers accepted bids worth RON 91.9 mn, slightly below the target of RON 100 mn. The bid-to-cover ratio was at 1.35x, while the average accepted yield stood at 5.20%.

Global equity markets soared yesterday, as concerns surrounding the Turkish currency crisis and trade war eased somewhat, while favourable corporate earnings reports saw the light of day too. In Bucharest, Transgaz increased by 2.1%, but banking sector shares also performed well, with the BRD and Banca Transilvania adding 2.1% and 1.1% respectively. Equities' total turnover reached RON 38.7 mn, supported primarily by trades with banking sector stocks.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
13-Aug	Monday	June	CA balance (EUR mn, YTD)		
		June	-3,781		-3,018
		Turnover of market serv. provided to the population (YoY%)	1.3		3.4
14-Aug	Tuesday	Q2 2018	Flash GDP growth rate (YoY%)		
		June	4.1	3.8	4.0
		Turnover of market serv. rendered mainly to enterp. (YoY%)	8.4		5.5
		June	13.0		11.0
		June	0.9		4.8
15-Aug	Wednesday		no data		
16-Aug	Thursday		no data		
17-Aug	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		14-Aug-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.8981	↑ 0.84	↓ -1.64	↓ -0.22		
OTP Obligatiuni	RON	15.1006	↑ 0.28	↑ 1.01	↑ 1.53		
OTP ComodisRO	RON	17.5379	↑ 0.26	↑ 1.26	↑ 1.73		
OTP Euro Bond	EUR	12.7522	↓ -0.12	↓ -0.65	↓ -0.15		
OTP Dollar Bond	USD	11.0618	↑ 0.14	↑ 0.36	↑ 0.74		
OTP Premium Return	RON	11.7524	↑ 0.57	↓ -0.80	↑ 1.68		
OTP Euro Premium Return	EUR	9.5139	↓ -0.23	↓ -4.98	↓ -3.15		
OTP Global Mix	RON	11.5594	↓ -0.51	↓ -0.97	↑ 2.79		

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