



Date: 27.08.2018

**STOCK EXCHANGE**

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,301.28	↑ 0.36	↑ 0.81
BET-TR	12,092.37	↑ 0.36	↑ 0.79
BET-FI	38,708.46	↑ 0.37	↑ 1.80
BET-XT	767.09	↑ 0.31	↑ 0.64
SNG	32.60	↑ 0.15	→ 0.00
TLV	2.35	↑ 0.43	↓ -0.85
SNP	0.33	↓ -0.30	↑ 0.15
EL	10.48	↑ 0.96	↑ 0.96
TGN	356.00	↑ 1.42	↑ 1.14

**GOV'T BOND MARKET**

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.17	↓ -4.5	↓ -5.0
12 month	3.33	↓ -1.0	↓ -1.5
3 year	3.89	↓ -1.5	↓ -11.5
5 year	4.31	↓ -2.0	↓ -24.0
10 year	4.70	↓ -1.5	↓ -14.5

**GOV'T BOND AUCTIONS**

	Maturity	Auctions	Sold
Monday	2.2Y	RON 300 mn	RON 339.2 mn

**MONEY MARKET**

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.75	↓ -11	↑ 78
3M ROBOR	3.27	↓ -3	→ 0
6M ROBOR	3.43	↓ -1	→ 0
1Y ROBOR	3.55	→ 0	↓ -1
5Y CDS	82.89	↑ 0	↑ 0

**FX MARKET**

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6463	↑ 0.20	↓ -0.03
USD/RON	3.9787	↓ -0.27	↓ -1.70
CHF/RON	4.0613	↑ 0.09	↓ -0.60
HUF/RON	0.0143	↑ 0.09	↓ 0.00

Sources: Reuters, OTP Research

**Summary**

- Enthusiasm prevailed yesterday on global markets; the euro firmed.
- The ROBOR 3M eased by three basis points to 3.27, after the NBR provided RON 12.2 bn extra liquidity to the market.
- The Ministry of Finance sold slightly more than planned in 2Y papers (RON 339.2 mn vs. RON 300 mn).
- Romanian equities inched higher, but on low volumes.

Friday's speech of Fed chief Jerome Powell at the Jackson Hole symposium continued to support markets yesterday. Mr Powell affirmed last week that gradual interest rate hikes remained appropriate, while he also played down the risk of overheating. In addition, enthusiasm firmed further, after President Donald Trump said that the US had reached a deal with Mexico over trade issues. He also said that negotiations with Canada would begin soon. The details about the US-Mexico trade agreement have not been revealed yet.

Amid yesterday's enthusiasm as well as on the back of stronger-than-expected confidence data in Germany, the euro firmed around 0.5% compared to the greenback. At the same time, the CEE region's currencies moved in mixed directions against the euro, with Poland's zloty and the Czech koruna strengthening slightly, while Romania's leu and the Hungarian forint softened a bit. Simultaneously, the Turkish lira lost further ground.

On Monday, money market rates mostly eased, with the ROBOR 3M, the primary benchmark for loans with variable interest rate, decreasing three basis points, to 3.27%. This came after the National Bank of Romania provided RON 12.2 bn extra liquidity to the market via a repo operation.

Yesterday the Ministry of Finance sold RON 339.2 mn worth of October 2020 government securities, above target (RON 300 mn). Demand was healthy, with dealers subscribing for RON 508.2 mn. The average accepted yield fell meaningfully, to 3.80%, down from 4.40% in a July auction with the same ISIN.

Romanian stocks followed the trends seen in Western Europe and the USA, with the BET index adding 0.4%. However, the traded volumes were particularly low (RON 13.0 mn).

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
27-Aug	Monday		no data		
28-Aug	Tuesday		no data		
29-Aug	Wednesday		no data		
30-Aug	Thursday	August	Economic Sentiment Indicator		100.5
		August	Consumer Confidence Indicator		-22.4
31-Aug	Friday	July	ILO unemployment rate (% , seasonally adjusted)		4.5
		July	Licenses for residential buildings (YoY%)		10.8

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		24-Aug-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.9420	↑ 1.19	↓ -1.24	↓ -0.40		
OTP Obligatiuni	RON	15.1131	↑ 0.28	↑ 1.10	↑ 1.56		
OTP ComodisRO	RON	17.5590	↑ 0.31	↑ 1.38	↑ 1.82		
OTP Euro Bond	EUR	12.7535	↓ -0.12	↓ -0.64	↓ -0.22		
OTP Dollar Bond	USD	11.0665	↑ 0.14	↑ 0.40	↑ 0.75		
OTP Premium Return	RON	11.7799	↑ 0.46	↓ -0.57	↑ 1.75		
OTP Euro Premium Return	EUR	9.5333	↓ -0.36	↓ -4.79	↓ -3.01		
OTP Global Mix	RON	11.5823	↓ -0.83	↓ -0.78	↑ 2.68		

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