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Daily Report – Romania

Date: 05.09.2018

STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,313.26	↓ -0.39	↓ -0.24
BET-TR	12,109.80	↓ -0.39	↓ -0.24
BET-FI	38,078.59	↓ -0.58	↓ -1.25
BET-XT	766.65	↓ -0.41	↓ -0.39
TLV	2.35	↓ -0.42	↑ 0.43
BRD	14.04	↓ -0.43	↑ 0.29
TGN	363.00	↓ -0.55	↓ -0.82
FP	0.92	↓ -0.54	↓ -1.08
EL	10.50	→ 0.00	→ 0.00

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.19	↑ 0.5	↑ 1.0
12 month	3.32	↓ -0.5	↓ -2.0
3 year	3.96	→ 0.0	↑ 5.5
5 year	4.36	→ 0.0	↑ 2.5
10 year	4.80	↑ 0.5	↑ 3.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	3.2Y	RON 500 mn	RON 275 mn
Thursday	13.0Y	RON 100 mn	
Thursday	12M	RON 600 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	2.63	↓ -4	↓ -7
3M ROBOR	3.18	↓ -3	↓ -6
6M ROBOR	3.38	↓ -2	↓ -4
1Y ROBOR	3.52	↓ -2	↓ -2
5Y CDS	82.69	↑ 0	↓ 0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6364	↑ 0.16	↑ 0.13
USD/RON	3.9858	↓ -0.27	↑ 0.78
CHF/RON	4.1023	↑ 0.00	↑ 0.68
HUF/RON	0.0142	↑ 0.24	↓ -0.42

Sources: Reuters, OTP Research

Summary

- The gloomy trading sentiment lingered on global markets; the EUR/RON inched slightly higher.
- ROBOR rates continued to ease.
- The Ministry of Finance organizes two government security auctions today.
- In line with developed equity markets, the BET closed lower.

Yesterday the gloomy trading sentiment continued to linger on financial markets due to uncertainties over trade issues and concerns about vulnerabilities in several emerging market economies. On the other hand, the British pound soared against the US dollar and the euro, owing to news revealing that Germany was ready to accept a less detailed Brexit agreement.

In the CEE region, Poland's zloty lost the most (0.4%) against the common European currency, as the country's central bank kept interest rates on hold. Simultaneously, Romania's leu softened almost 0.2%, while the Czech koruna closed flat and the Hungarian forint was able to record a small gain (0.1%) at the end of the day.

On Wednesday, interbank lending rates continued to ease, with the ROBOR 3M, the key benchmark for loans with variable interest rate, decreasing three basis points to 3.18%. We note that on Monday the NBR provided RON 9.5 bn extra liquidity to the banking sector via a one-week repo operation.

Today the Ministry of Finance puts up for sale RON 100 mn through 13Y bonds and additional RON 600 mn debt in twelve-month bills.

In line with the trends seen on developed equity markets, Romanian stocks mostly fell, with Bucharest's key index, the BET closing 0.4% lower.

Tomorrow morning the NIS will publish detailed Q2 GDP statistics, and wage data will also see the light of day.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
3-Sep	Monday	August	FX Reserves (EUR bn)	31.1	31.4
4-Sep	Tuesday	July	Producer Price Index (YoY%)	6.0	6.1
		July	Retail trade (YoY%)	5.3	7.4
		July	Tourists' overnight stays (YoY%)	2.9	-1.0
5-Sep	Wednesday		no data		
6-Sep	Thursday		no data		
7-Sep	Friday	Q2 2018	Detailed GDP growth rate (YoY%, provisional data 1)		4.1
		July	Net wage growth rate (YoY%)		14.3

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		4-Sep-18					
Investment funds	ccy	last NAV/U	1m%	Ytd%	52W%		
OTP AvantisRO	RON	10.9651	↑ 0.11	↓ -1.03	↑ 1.64		
OTP Obligatiuni	RON	15.1248	↑ 0.26	↑ 1.17	↑ 1.52		
OTP ComodisRO	RON	17.5765	↑ 0.32	↑ 1.48	↑ 1.89		
OTP Euro Bond	EUR	12.7518	↓ -0.15	↓ -0.65	↓ -0.40		
OTP Dollar Bond	USD	11.0694	↑ 0.09	↑ 0.43	↑ 0.69		
OTP Premium Return	RON	11.8007	↑ 0.42	↓ -0.39	↑ 1.85		
OTP Euro Premium Return	EUR	9.5156	↓ -0.38	↓ -4.96	↓ -3.49		
OTP Global Mix	RON	11.5448	↓ -0.48	↓ -1.10	↑ 2.51		

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