

Treasury Sales Team

+40372 31 85 88

sales.treasury@otpbank.ro



Chief Economist

Gergely Tardos

+36 1 374 7273

tardosg@otpbank.hu

Analyst

Csaba Bálint

+4021 307 58 96

csaba.balint@otpbank.ro

Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,600.27	↑ 0.01	↑ 2.46
BET-TR	12,521.19	↑ 0.01	↑ 2.45
BET-FI	36,984.95	↑ 0.50	↑ 1.40
BET-XT	783.70	↑ 0.09	↑ 2.19
SNP	0.40	↑ 0.51	↑ 4.50
TLV	2.34	↓ -0.64	↑ 1.74
SNG	34.50	↑ 0.29	↑ 3.14
FP	0.95	↑ 0.21	↑ 2.83
EL	10.76	→ 0.00	↑ 2.48

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.23	↑ 0.5	→ 0.0
12 month	3.35	→ 0.0	↑ 1.0
3 year	4.19	↑ 0.5	↑ 2.5
5 year	4.74	↓ -0.5	→ 0.0
10 year	4.95	↓ -1.0	↓ -5.0

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.5Y	RON 500 mn	
Thursday	3.4Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.80	→ 0	↓ -95
3M ROBOR	3.28	↑ 11	↑ 11
6M ROBOR	3.50	↑ 6	↑ 6
1Y ROBOR	3.62	↑ 6	↑ 6
5Y CDS	88.46	↑ 0	↑ 0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6678	↓ -0.06	↑ 0.12
USD/RON	4.0539	↓ -0.59	↑ 0.46
CHF/RON	4.0706	↓ -0.62	↑ 0.11
HUF/RON	0.0144	↑ 0.06	↑ 0.34

Sources: Reuters, OTP Research

Summary

- The EUR/RON ended last week a touch below 4.67.
- On Friday, the ROBOR 3M rose by 11 basis points, to 3.28%.
- Equity markets finished mixed.

After Thursday's losses, the CEE region's currencies firmed 0.1%-0.2% compared to the euro on Friday. The EUR/RON also finished the trading session a touch below 4.67. We recall that, on Thursday, investors worried mainly about the impact of higher borrowing costs on global economic growth, trade tensions, disappointing Q3 GDP data in China, Italy's government deficit and the threat of no-deal Brexit. On Friday, trading sentiment improved a bit on the back of supporting words of Chinese authorities, while in Europe, EU's Economic Affairs Commissioner Pierre Moscovici appeared to soften criticism of Italy's government budget plan. The news helped the common European currency to firm 0.5% against the US dollar.

On Friday, interbank lending rates climbed higher, with the ROBOR 3M, the primary benchmark for loans with variable interest rate, rising 11 bps, to 3.28%. The surge of ROBOR might be the result of uncertainties, whether the NBR would provide extra liquidity via repo operations at the end of the month. Usually, liquidity conditions worsen at the end of the month, as the private sector makes important payments to the government budget.

Today the Treasury puts up for sale RON 500 mn in April 2024 treasury bonds.

Global stock markets finished Friday's trading session mixed. In Europe, the French CAC 40 and Germany's DAX fell 0.6% and 0.3% respectively. However, Italian stocks closed flat, while London's FTSE 100 gained 0.3%. In the USA, Friday's trading started in green, but the leading indices closed the day mixed, as disappointing home-sales data overshadowed company earnings results. In Bucharest, the BET was unchanged, after its individual components moved in different directions. This morning, Asian stocks soared.

This week, the NBR will publish non-government loan and deposit statistics, while Eurostat will release Q2's ESA government budget deficit and debt data.

Date	PERIOD	INDICATOR	FACT	CONSENSUS	PREVIOUS
22-Oct	Monday		no data		
23-Oct	Tuesday	September	Non-government loans (YoY%)		6.6
		September	Non-government deposits (YoY%)		10.5
	Q2 2018	General government budget balance (% of GDP, SA annualised)		-4.2	
		General government debt (% of GDP)		34.4	
24-Oct	Wednesday		no data		
25-Oct	Thursday	September	New commercial vehicle registrations (YoY%)		55.8
26-Oct	Friday		no data		

Sources: NIS, NBR, Reuters, OTP Research

OTP AM – Investment Funds		18-Oct-18						
Investment funds	ccy	last NAV/U		1m%		Ytd%		52W%
OTP AvantisRO	RON	11.1474	↑	1.73	↑	0.61	↑	1.22
OTP Obligatiuni	RON	15.1827	↑	0.25	↑	1.56	↑	1.95
OTP ComodisRO	RON	17.6360	↑	0.21	↑	1.83	↑	2.12
OTP Euro Bond	EUR	12.7560	↑	0.02	↓	-0.62	↓	-0.47
OTP Dollar Bond	USD	11.0829	↑	0.04	↑	0.55	↑	0.65
OTP Premium Return	RON	11.5856	↓	-1.45	↓	-2.21	↓	-1.08
OTP Euro Premium Return	EUR	9.0893	↓	-3.65	↓	-9.22	↓	-8.68
OTP Global Mix	RON	11.2015	↓	-2.17	↓	-4.04	↓	-3.11

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