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Daily Report – Romania

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STOCK EXCHANGE

	Close	Daily chg. (%)	Weekly chg. (%)
BET	8,615.95	↑ 0.18	↑ 2.06
BET-TR	12,543.85	↑ 0.18	↑ 2.07
BET-FI	36,926.60	↓ -0.16	↑ 0.25
BET-XT	784.76	↑ 0.14	↑ 1.69
SNP	0.39	↓ -0.38	↑ 2.74
FP	0.94	↓ -0.21	↑ 1.51
TLV	2.36	↑ 0.64	↑ 2.84
EL	10.82	↑ 0.56	↑ 2.85
M	27.30	↑ 1.11	↑ 2.63

GOV'T BOND MARKET

Maturity	Yield (%)	Daily chg. (bp)	Weekly chg. (bp)
6 month	3.24	↑ 1.0	↑ 1.0
12 month	3.35	↑ 0.5	↑ 1.5
3 year	4.19	→ 0.0	↑ 2.5
5 year	4.75	↑ 0.5	↑ 1.0
10 year	4.96	↑ 0.5	↓ -5.5

GOV'T BOND AUCTIONS

	Maturity	Auctions	Sold
Monday	5.5Y	RON 500 mn	RON 690 mn
Thursday	3.4Y	RON 500 mn	

MONEY MARKET

	Rate (%/bp)	Daily chg (bp)	Weekly chg (bp)
ON ROBOR	1.71	↓ -9	↓ -102
3M ROBOR	3.30	↑ 2	↑ 12
6M ROBOR	3.52	↑ 2	↑ 8
1Y ROBOR	3.62	→ 0	↑ 6
5Y CDS	88.58	↑ 0	↓ 0

FX MARKET

	Rate	Daily chg. (%)	Weekly chg. (%)
EUR/RON	4.6660	↓ -0.04	↑ 0.04
USD/RON	4.0702	↑ 0.40	↑ 1.06
CHF/RON	4.0862	↑ 0.38	↑ 0.13
HUF/RON	0.0145	↑ 0.10	↑ 0.04

Sources: Reuters, OTP Research

Summary

- Yesterday the EUR/RON was traded in a narrow range, below the 4.67 threshold.
- The ROBOR 3M climbed two bps higher, to 3.30%.
- Healthy demand characterised Monday's 5.5Y bond auction.

Monday's trading session started well on developed markets, supported by the stellar gains of Asian stocks. Equity markets in Asia soared yesterday as the comments of Chinese officials about planned stimulus measures lifted confidence. However, optimism faded gradually in Europe, as concerns about Italy's budget draft and Brexit talks weighed on trading mood. As a result, European stock finished the day in negative territory. In the USA, investors focused on third-quarter earnings reports, while worries about the impact of higher interest rates on the economy put pressure on sentiment. The leading US equity benchmarks closed mixed yesterday. In this morning, Asian stocks fell, after the strong gains registered a day earlier.

As investors kept an eye on budget wrangling between Italy, the third largest national economy in the Eurozone, and the EU, as well as news on Brexit, the euro lost some ground (0.4%) compared to the US dollar. At the same time, the CEE region's currencies finished the day marginally stronger (around 0.1%), while Romania's leu was traded in a narrow range, below the 4.67 threshold.

Interbank lending rates mostly rose on Monday, with the ROBOR 3M climbing two basis points higher, to 3.30%. It may be worth mentioning that, usually, liquidity conditions become tighter at the end of the month owing to important tax payments to the government budget. On Monday, the NBR didn't organise repo operation that might have also contributed to the rise.

The Treasury sold more than planned (RON 690 mn vs. RON 500 mn) in 5.5Y bonds. Demand was healthy, with commercial banks subscribing for RON 1,062.2 mn. The average accepted yield was at 4.82%, up from 4.39% in a previous auction with the same ISIN in September.

Bucharest's BET index increased by 0.2% on low volumes (RON 26.6 mn).

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		19-Oct-18						
Investment funds	ccy	last NAV/U		1m%		Ytd%		52W%
OTP AvantisRO	RON	11.1395	↑	1.54	↑	0.54	↑	1.42
OTP Obligatiuni	RON	15.1817	↑	0.23	↑	1.55	↑	1.95
OTP ComodisRO	RON	17.6347	↑	0.20	↑	1.82	↑	2.11
OTP Euro Bond	EUR	12.7545	↓	-0.01	↓	-0.63	↓	-0.48
OTP Dollar Bond	USD	11.0822	↑	0.02	↑	0.54	↑	0.64
OTP Premium Return	RON	11.5621	↓	-1.69	↓	-2.41	↓	-1.17
OTP Euro Premium Return	EUR	9.0510	↓	-4.17	↓	-9.60	↓	-8.90
OTP Global Mix	RON	11.1788	↓	-2.50	↓	-4.23	↓	-3.11

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