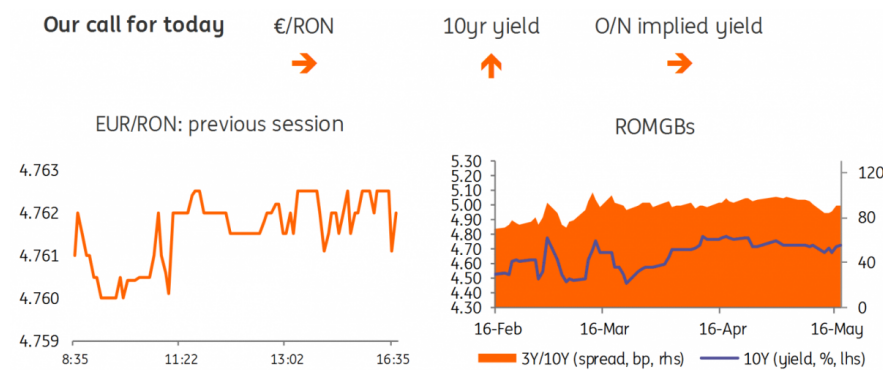


Briefing Romania

Another strong primary auction



EUR/RON

With seemingly pretty strong support at 4.7600 and a line in the sand at 4.7700, the EUR/RON looks confined in a tight range for a while. Yesterday it traded within an even narrower 30 pips range, closing around 4.7620.

Government bonds

Another strong primary auction marked an otherwise uninteresting trading session. The Ministry of Finance allocated RON750 million versus RON500 million planned, at 3.83% average and 3.84% maximum yields, broadly in line with our expectations. The total RON1.16 billion demand has been clustered within some 5 basis points suggesting real interest for this paper. The market

subsequently shifted 1-2 basis points lower following the auction result.

Money market

Today, it's arguably game over for the ultra-low cash rates as we expect the central bank to step in on Monday and drain some of the surplus liquidity. The forward curve corrected a bit in anticipation of the higher funding, with the 1M implied yields (which captures most of the next reserve period) trading around 3.30%.

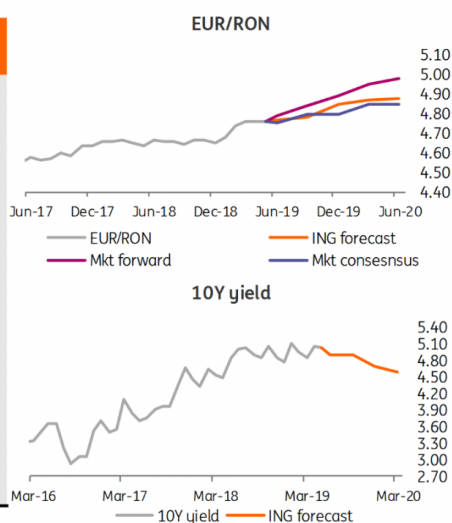
EUR/RON forecasts (eop)

	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.77	4.78	4.85	4.87	4.88
FX Forward	4.79	4.84	4.89	4.95	4.98

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7615	0.0	0.0	0.0
EUR/PLN	4.3042	0.1	0.2	0.8
EUR/HUF	324.45	0.0	0.1	17
EUR/CZK	25.708	0.0	-0.1	0.2
RO 5Y CDS*	107.5	-100.0	215	11
ROBOR O/N*	173	-10	-80.0	-100.0
ROBOR 3M*	3.28	-13.0	-2.0	-10.0
DAX	12310.4	17	3.1	16
S&P 500	2876.3	0.9	0.7	-0.3
DE 10Y*	-0.11	0.5	-6.1	-19.4
US 10Y*	2.38	2.6	-7.7	-21.2
Gold (US\$)**	1287.6	-0.8	0.3	1.1
Brent (US\$)**	72.6	12	3.2	2.2

*change in basis points; **US\$ (data as at 06:07 GMT)



Author

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial

Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.