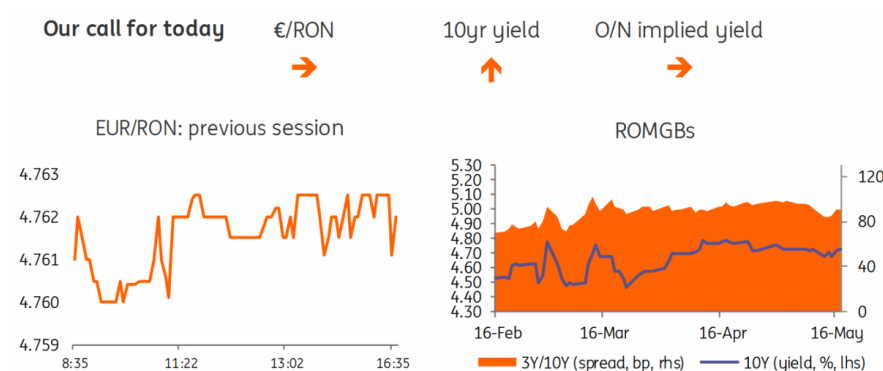


## Briefing Romania

### 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%.

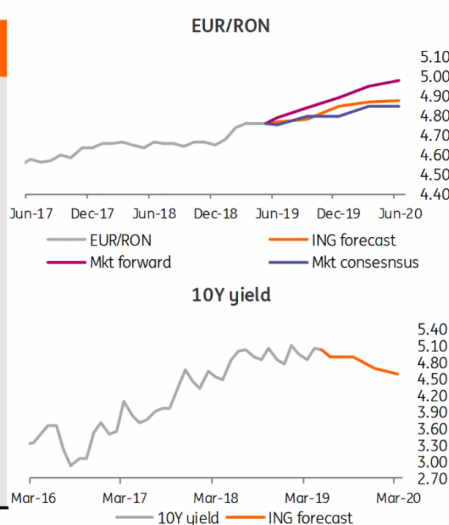
### EUR/RON forecasts (eop)

	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	-10.4
US 10Y*	2.38	2.6	-7.7	-212
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)



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