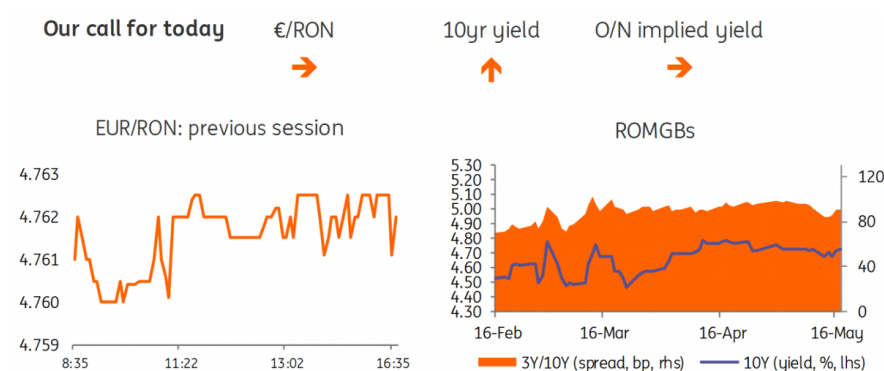


Briefing Romania

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%.

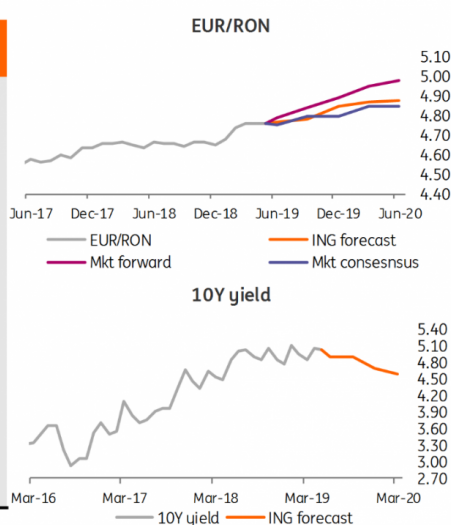
EUR/RON forecasts (eop)

	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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