

↓ Money Market

The large redemption (almost RON9 billion) from the end of the month filtered through a lot faster than expected. Front end implied yields traded below 3.00% and the entire curve up to 1Y is below 4.00% again as the liquidity surplus is expected to persist. For the time being, funding rates should see a solid floor at 2.50%, where the central bank stands ready to mop up the excess liquidity.

EUR/RON forecasts (eop)

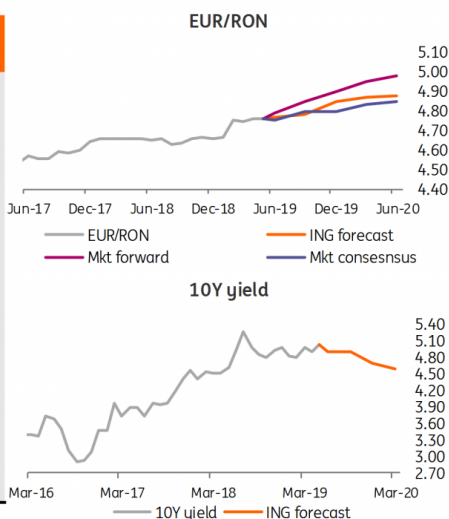
	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.77	4.78	4.85	4.87	4.88
FX Forward	4.79	4.85	4.90	4.95	4.98

Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7580	-0.1	0.0	0.0
EUR/PLN	4.2849	-0.1	-0.2	-0.3
EUR/HUF	324.41	0.2	0.8	1.0
EUR/CZK	25.618	0.0	-0.5	-0.5
RO 5Y CDS*	88.6	-9.9	-11.7	-21.2
ROBOR O/N*	3.26	-30.0	114.0	-19.0
ROBOR 3M*	3.37	-1.0	-4.0	14.0
DAX	0	0.6	-99.7	-99.7
S&P 500	2923.7	-0.2	0.4	2.5
DE 10Y*	0.03	-1.4	3.9	7.6
US 10Y*	2.52	0.4	-0.2	4.1
Gold (US\$)**	12715	-0.5	-0.3	-1.6
Brent (US\$)**	719	0.2	-2.7	4.3

*change in basis points, **US\$ (data as at 06:17 GMT)



Source: Reuters, Bloomberg, ING

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