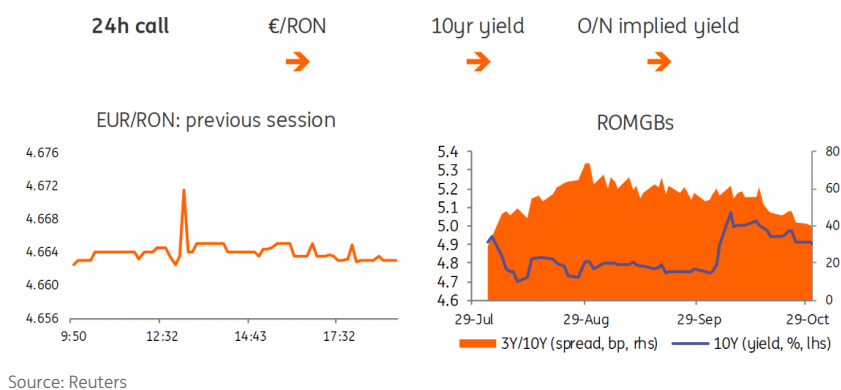


BriefING Romania

Good September 2031 auction



➔ EUR/RON

Quite a calm session for the EUR/RON yesterday. The pair traded virtually flat around 4.6630 and we don't expect major changes of the current calm stance.

➔ Government bonds

The September 2031 bond auction went out pretty well, though the Ministry of Finance had to pay somewhat higher-than-expected yields in order to raise the RON200 million planned amount. In the end, the target size was allocated at a 5.46% average and 5.48% maximum yield, with a total bid-to-cover of 1.53x. The ROMGBs curve closed the day little changed.

➔ Money Market

It was a calm market on funding as well, with the entire curve now ranging from 3.00% to 4.00%. The money market is likely to remain calm ahead of Monday's announcement for a possible repo.

EUR/RON forecasts and forwards

	4Q18	1Q19	2Q19	3Q19	4Q19
ING forecast	4.70	4.67	4.65	4.70	4.75
Forward rate	4.69	4.74	4.79	4.84	4.91

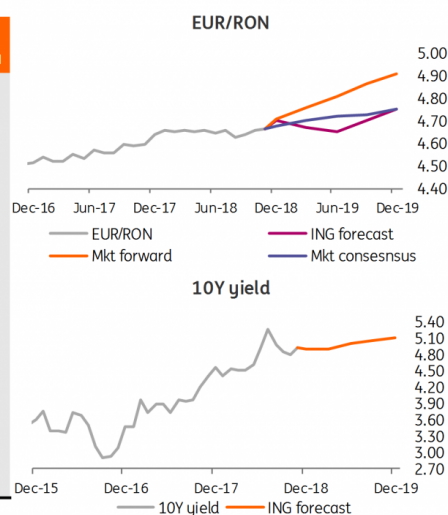
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.663	-0.1	0.1	0.0
EUR/PLN	4.3171	-0.4	0.2	0.3
EUR/HUF	32195	-0.6	-0.7	-0.3
EUR/CZK	25.828	-0.5	-0.2	0.4
RO 5Y CDS*	98.45	0.1	0.8	1.9
ROBOR O/N*	2.75	-2.0	-86.0	8.0
ROBOR 3M*	3.31	0.0	-8.0	6.0
DAX	11468.5	13	18	-8.0
S&P 500	2740.37	1.1	1.9	-5.8
DE 10Y*	0.434	1.3	3.7	-4.6
US 10Y*	3.1722	-1.5	3.6	1.1
Gold (US\$)**	1235.05	1.5	0.3	3.2
Brent (US\$)**	72.72	-2.9	-5.4	-6.3

*change in basis points; **US\$ (data as at 07:45 GMT)

Source: Reuters, Bloomberg, ING



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