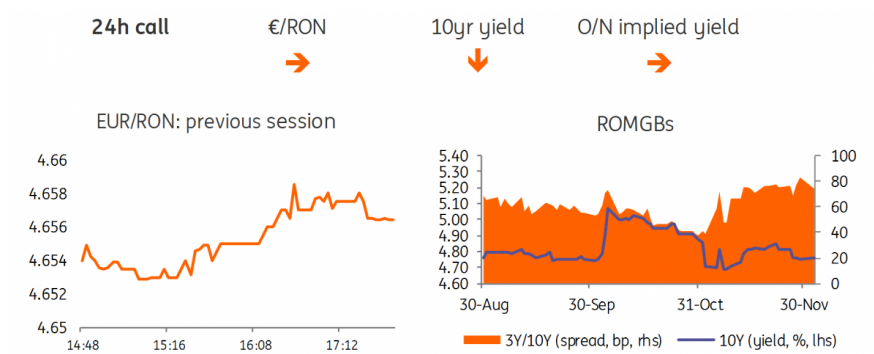


Briefing Romania

RON 400 million targeted in the April 2026 auction is the highlight of Monday's Romanian market action



Source: Reuters

➔ EUR/RON

The EUR/RON tested the lower end of its latest 4.6500-4.6600 range but rebounded from around 4.6520 to 4.6570 area towards the end of the trading session. For today the 4.6500-4.6600 range is likely to hold.

↓ Government bonds

The positive sentiment in Romanian government bonds continued as monthly inflows into private pension funds are likely to have generated more interest in the secondary market. Today, the

Ministry of Finance plans to sell RON 400 million in the April 2026 auction. This is the only tenor between five and ten years auctioned in December. Hence, we expect good demand and an average yield of around 4.65%

➔ Money Market

The overnight implied yield remained just below the central bank's key rate of 2.50% as the liquidity backdrop remains supportive. A repo auction doesn't look necessary in these conditions, particularly when considering the usual accelerated spending from the Ministry of Finance into the year-end.

The week ahead

For the week ahead, the US ISM indices are likely to remain close to their recent levels. As for the jobs market, unemployment is likely to remain at a 49-year low, and this is likely to see continued upward pressure on wages. We look for annual wage growth to stay at 3.1% this month, but given growing evidence of pay pressures in various surveys, we look for wage growth to pick up again in coming months.

Also this week, Fed Chair Jerome Powell will be testifying on monetary policy. October industrial data will be an important barometer of the state of the German economy in the final quarter of the year. The latest Ifo reading has already dented optimism about a V-shaped rebound after a disappointing third quarter performance.

On the local front, we expect the EUR/RON in the same 4.6500-4.6700 range.

EUR/RON forecasts and forwards

	4Q18	1Q19	2Q19	3Q19	4Q19
ING forecast	4.70	4.67	4.65	4.70	4.75
Forward rate	4.68	4.73	4.78	4.83	4.88

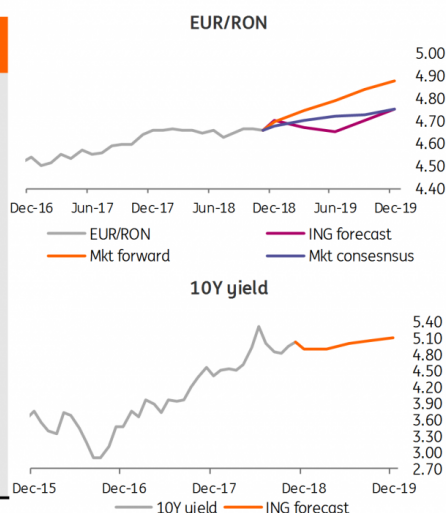
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.6560	-0.3	-0.1	-0.2
EUR/PLN	4.2842	0.2	-0.1	-0.9
EUR/HUF	323.06	0.0	0.2	0.1
EUR/CZK	25.961	0.1	0.1	0.5
RO 5Y CDS*	104.4	0.0	5.0	5.9
ROBOR O/N*	2.32	-23.0	42.0	-49.0
ROBOR 3M*	3.09	-4.0	-5.0	-25.0
DAX	1257.2	-0.4	0.9	-15
S&P 500	2760.17	0.8	5.4	13
DE 10Y*	0.34	-13	0.4	-5.4
US 10Y*	3.05	-2.2	-0.8	-9.8
Gold (US\$)**	1230.5	-0.1	0.7	-0.2
Brent (US\$)**	62.1	-0.8	5.2	-14.9

*change in basis points; **US\$ (data as at 06:40 GMT)

Source: Reuters, Bloomberg, ING



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>.