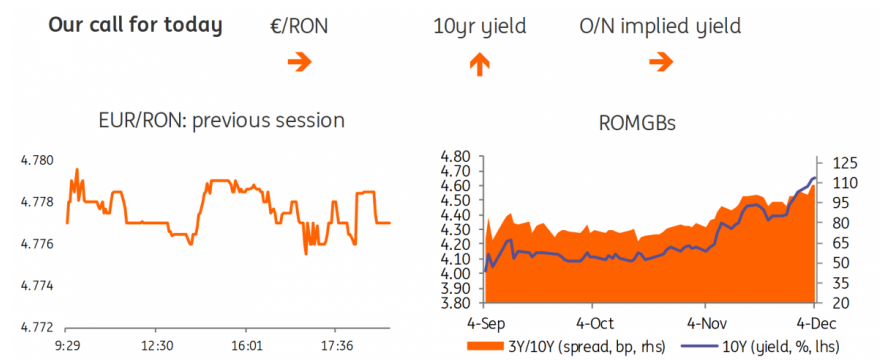


Briefing Romania

FX turnover increasing again



Source: Refinitiv Datastream

EUR/RON

It was more of the same for the EUR/RON yesterday as the pair traded in a relatively narrow 4.7760-4.7790 range despite the increased turnover. For now, the pair looks to have stabilised at close to 4.7800.

Government bonds

With core markets correcting lower yesterday, the pressure on Romanian government bonds diminished a bit. The yield curve remained broadly flat compared to the previous day. In the short-term, there is still little reason to be bullish on ROMGBs considering the elevated financing needs of the Ministry of Finance.

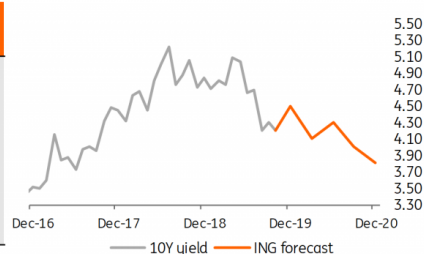
Money market

On the money market, the curve remains inverted, with cash rates trading just below 4.00%. The liquidity conditions should gradually improve as MinFin spending kicks in, though we don't expect any spectacular drop in funding.

EUR/RON forecasts (eop)

	4Q19	1Q20	2Q20	3Q20	4Q20
ING forecast	4.80	4.82	4.82	4.84	4.85
FX Forward	4.79	4.84	4.88	4.92	4.97

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7745	0.0	-0.1	0.5
EUR/PLN	4.2822	-0.1	-0.5	0.3
EUR/HUF	331.80	-0.1	-1.3	0.7
EUR/CZK	25.530	-0.1	0.1	0.0
RO 5Y CDS*	88.8	-0.3	-0.4	-1.4
ROBOR O/N*	3.02	4	26	47
ROBOR 3M*	3.04	1	5	5



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

Source: Refinitiv Datastream, ING estimates

Author

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

ciprian.dascalu@ing.com

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