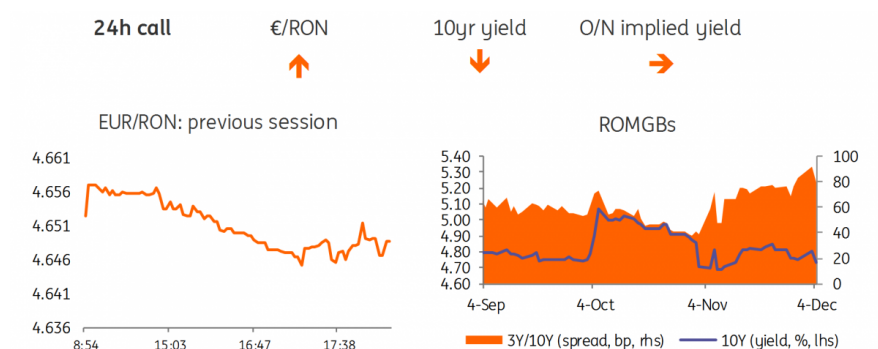


## Briefing Romania

Government bonds perform well and the leu appreciates



Source: Reuters

### ↑ EUR/RON

In line with its regional peers, the Romanian leu appreciated yesterday and traded below 4.6500 on average turnover. While not being our main scenario, a more prolonged appreciation of the leu, along with the recent decline in oil prices, will likely send year-end headline inflation within the central bank's target range of  $2.5 \pm 1$  ppt.

### ↓ Government bonds

Romanian government bonds continued to perform well, as long-term yields inched 3-4 basis points lower. The April 2026 auction was quite strong as well with a bid-to-cover of 2.05x. Yields

were marginally above our expectations but still a bit below the secondary market, at a 4.67 average and 4.69% maximum. The Ministry of Finance allocated RON 494 million, slightly more than the initial RON400 million target as the demand has been pretty well clustered.

## ➔ Money market

The National Bank didn't roll over the repo auction yesterday, a decision anticipated by the market as well. Carry continues to hover just below the 2.50% key rate and the backdrop should remain supportive, at least until the next monthly budget payments.

### 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 |

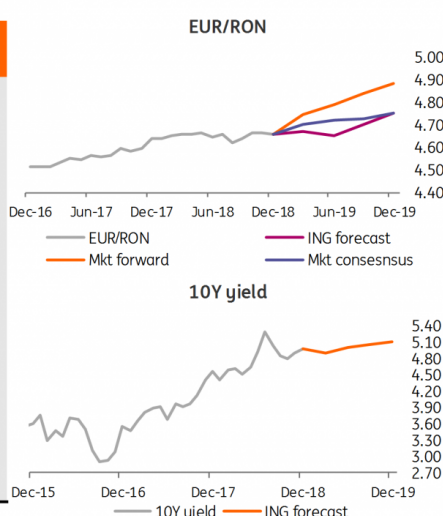
Source: Reuters, ING estimates

### Market radar

|                | Spot    | %Ch    |       |       |
|----------------|---------|--------|-------|-------|
|                |         | 1D     | 1W    | 1M    |
| EUR/RON        | 4.6490  | 0.0    | -0.3  | -0.3  |
| EUR/PLN        | 4.2751  | -0.4   | -0.5  | -0.8  |
| EUR/HUF        | 322.4   | -0.3   | -0.4  | 0.1   |
| EUR/CZK        | 25.923  | -0.2   | 0.0   | 0.5   |
| RO 5Y CDS*     | 104.4   | -100.0 | 5.2   | 6.4   |
| ROBOR O/N*     | 2.3     | -2.0   | -40.0 | -45.0 |
| ROBOR 3M*      | 3.11    | 2.0    | -9.0  | -18.0 |
| DAX            | 11465.5 | 19     | 13    | -0.1  |
| S&P 500        | 2790.37 | 11     | 4.9   | 3.0   |
| DE 10Y*        | 0.30    | -0.2   | -6.6  | -13.9 |
| US 10Y*        | 2.96    | -2.2   | -11.1 | -25.5 |
| Gold (US\$)**  | 1237.2  | 0.7    | 12    | 0.4   |
| Brent (US\$)** | 62.4    | 3.8    | 3.0   | -14.3 |

\*change in basis points; \*\*US\$ (data as at 06:51 GMT)

Source: Reuters, Bloomberg, ING



## Author

### Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

[ciprian.dascalu@ing.com](mailto:ciprian.dascalu@ing.com)

### Valentin Tataru

Chief Economist, Romania

[valentin.tataru@ing.com](mailto: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 [www.ing.com](http://www.ing.com).