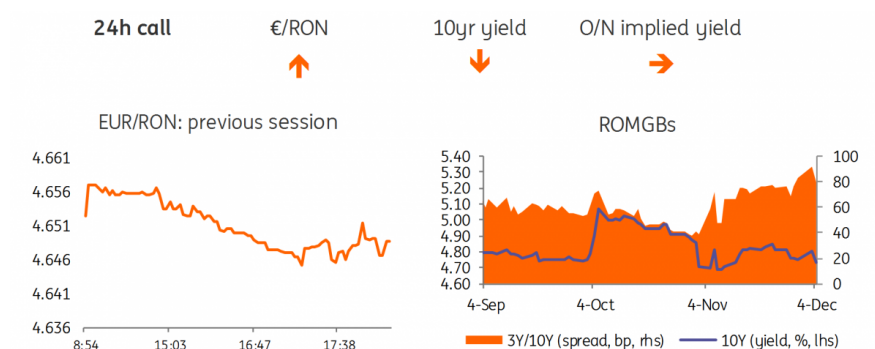


Briefing Romania

Government bonds perform well and the leu appreciates



↑ 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 ± 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

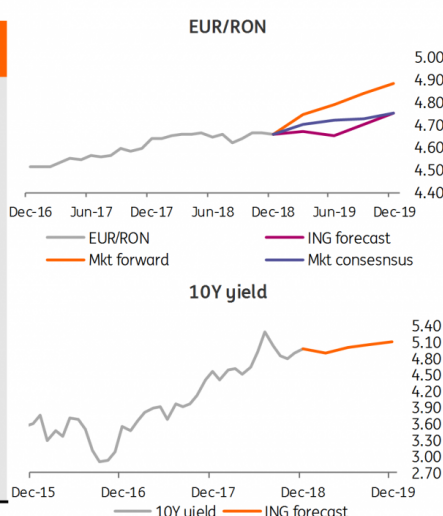
Source: Reuters, ING estimates

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



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