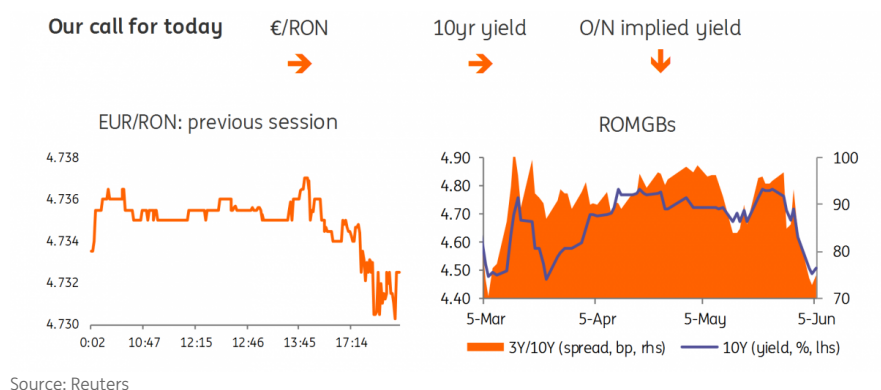


Stronger Romanian leu on inflows into government bonds



The EUR/RON failed to close below 4.7300 yesterday on another day of heavy turnover. We see a 4.7250-4.7400 range for today with a downside bias as risk-on sentiment prevails after recent signals from Fed speakers.

The bull flattening in the ROMGB curve continued yesterday with long-end yields dropping by another 4-5 basis points.

Money market

Implied cash rates inched around 60 basis points higher to 2.85%. The forward yield curve flattened as 1y implied yields dropped around 10 basis points to 3.80%.

EUR/RON forecasts (eop)

	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.77	4.78	4.85	4.87	4.88
FX Forward	4.75	4.80	4.85	4.90	4.93

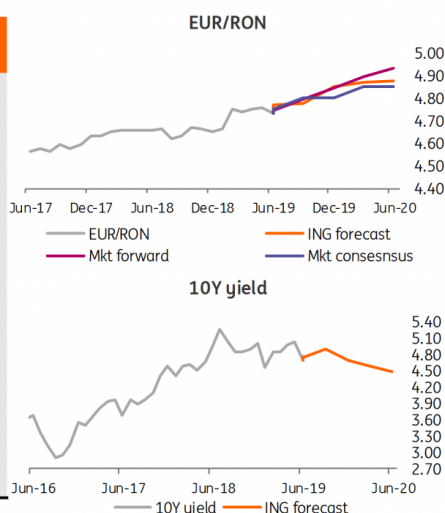
Source: Reuters, Bloomberg, ING

Market radar

	Spot	%Ch	1D	1W	1M
EUR/RON	4.7320	0.1	-0.6	-0.5	-0.5
EUR/PLN	4.2781	0.0	-0.4	-0.2	-0.2
EUR/HUF	32185	-0.4	-1.6	-0.6	-0.1
EUR/CZK	25.7	-0.4	-0.6	-0.1	19
RO 5Y CDS*	88.1	-0.6	-1.8	-1.8	-22.0
ROBOR O/N*	2.51	-13.0	-4.0	-3.0	-6.0
ROBOR 3M*	3.24	0.0	-3.0	-3.0	-6.0
DAX	19712	15	-0.1	-2.3	-2.3
S&P 500	2803.3	2.1	0.6	-3.9	-3.9
DE 10Y*	-0.22	-0.8	-6.7	-23.0	-23.0
US 10Y*	2.10	4.0	-17.1	-40.3	-40.3
Gold (US\$)**	1329.6	0.0	4.0	3.9	3.9
Brent (US\$)**	615	11	-10.4	-12.6	-12.6

*change in basis points; **US\$ (data as at 06:23 GMT)

Source: Reuters, ING estimates



Author

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

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