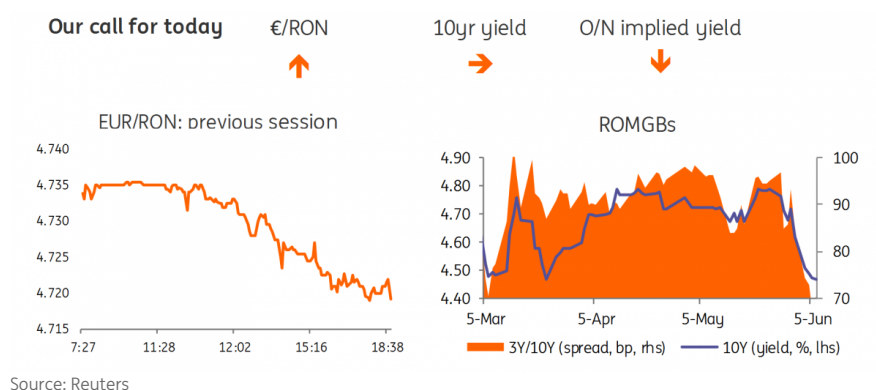


Briefing Romania

3Y bond auction expected to bring solid demand



↑ EUR/RON

The EUR/RON moved lower, testing 4.7200 and closing around this level, on large turnover, though lower than the previous couple of days. The 4.7200 level should act as support, providing there is no significant surprise from the European Central Bank today. Hence, we see a 4.7200-4.7300 range for today.

→ Government bonds

The ROMGB yield curve was little changed yesterday with the 10Y yield closing flat at around 4.70% mid. Today, the Ministry of Finance auctions RON500 million in 3Y bonds which should bring

good demand due to an upcoming large redemption and overall ample liquidity conditions. MinFin could increase the size and we could see a cut-off yield around the secondary market mid-level of 3.95%.

↓ Money market

The implied cash rate stood above the NBR key rate of 2.50% yesterday. Bloomberg cited sources from the central bank saying the NBR is considering broadening the range of tools for mopping up liquidity to one or two months deposits, but also considering overnight deposit taking operations.

EUR/RON forecasts (eop)

	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.77	4.78	4.85	4.87	4.88
FX Forward	4.73	4.78	4.83	4.89	4.92

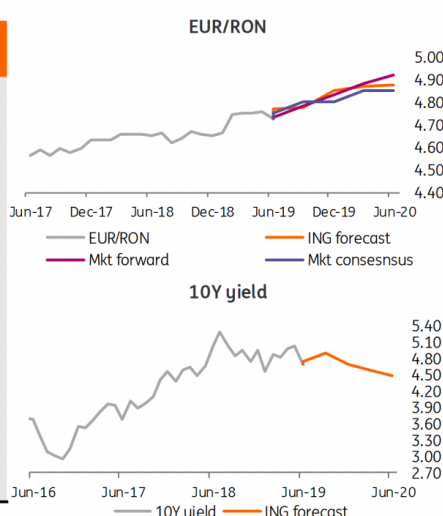
Source: Reuters, Bloomberg, ING

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7210	-0.3	-0.8	-0.7
EUR/PLN	4.2780	0.0	-0.4	-0.3
EUR/HUF	3213	-0.1	-1.4	-0.8
EUR/CZK	25.669	-0.1	-0.7	-0.2
RO 5Y CDS*	87.9	-0.3	-10.8	19
ROBOR O/N*	2.67	16.0	-18.0	4.0
ROBOR 3M*	3.24	0.0	-2.0	-7.0
DAX	1980.8	0.1	15	-0.6
S&P 500	2826.2	0.8	2.1	-1.5
DE 10Y*	-0.23	-1.4	-5.6	-19.3
US 10Y*	2.11	0.2	-12.6	-33.8
Gold (US\$)**	1334.2	0.4	4.3	3.9
Brent (US\$)**	60.9	-2.2	-10.3	-11.9

*change in basis points; **US\$ (data as at 07:43 GMT)

Source: Reuters, ING estimates



Author

Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

ciprian.dascalu@ing.com

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 www.ing.com.