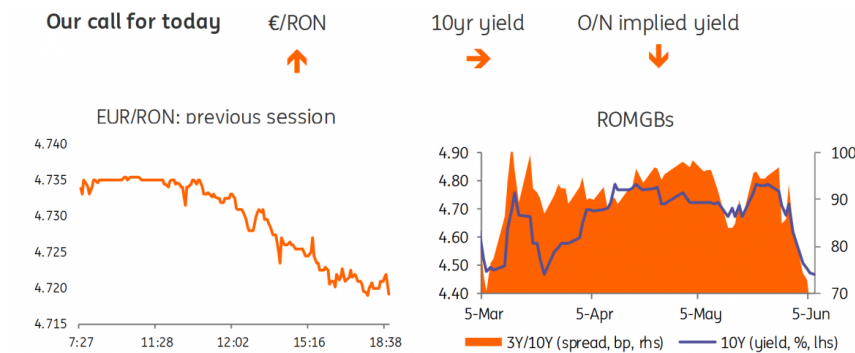


Briefing Romania

3Y bond auction expected to bring solid demand



Source: Reuters

↑ 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

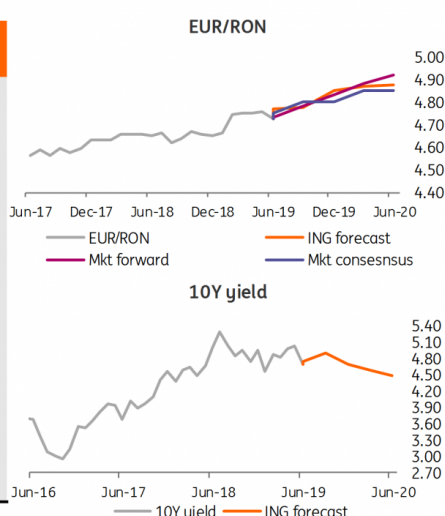
Source: Reuters, Bloomberg, ING

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.720	-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	-8.0	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	-119

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

Source: Reuters, ING estimates



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