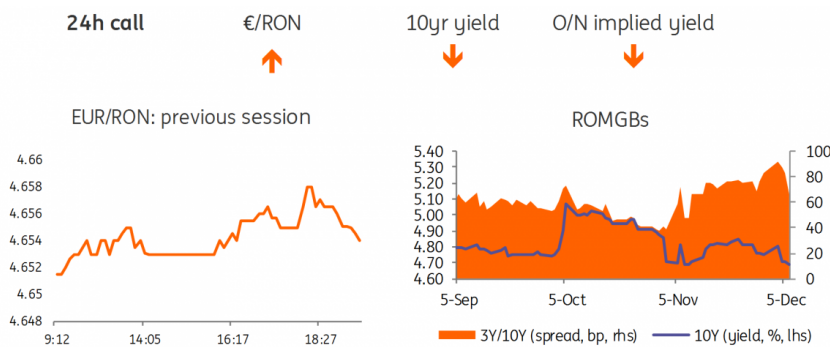


Briefing Romania

The Ministry of Finance auctions September 2031 bonds



Source: Reuters

↑ EUR/RON

Another quiet day for the EUR/RON closing around 4.6550 on low turnover. With a negative mood prevailing on global stock markets, we could see the currency pair testing the upper bound of the recent 4.6500-4.6600 range today.

↓ Government bonds

Selling interest emerged in the ROMGBs market, likely related to profit-taking after the recent rally. As a result, yields closed c.4-7 basis points higher across the curve. The Ministry of Finance auctions RON300 million today in September 2031 bonds. This is a rather illiquid paper, and MinFin

could sell less than planned as demand is likely to be limited. Average yields could print near secondary market mid of 5.30%.

Money Market

The funding rates traded below the key rate level of 2.50% yesterday as liquidity is returning from state budget spending. The rest of the money market curve was unchanged.

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	4.91

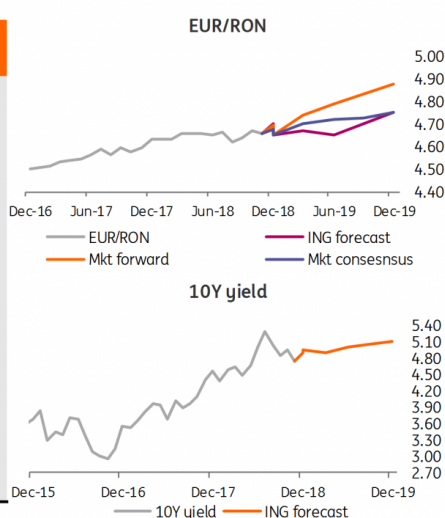
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.6545	0.1	0.5	-0.2
EUR/PLN	4.2893	0.0	0.1	-0.3
EUR/HUF	323.57	-0.1	0.0	0.5
EUR/CZK	25.881	-0.1	-0.2	0.1
RO 5Y CDS*	104.2	0.1	-0.3	6.0
ROBOR O/N*	2.25	-2.0	-30.0	-41.0
ROBOR 3M*	3.09	0.0	-4.0	-16.0
DAX	1200.2	-12	-0.5	-2.1
S&P 500	2700.06	-3.2	-99.4	-99.4
DE 10Y*	0.26	10	-8.7	-17.0
US 10Y*	2.90	-292.3	-14.9	-319
Gold (US\$)**	1235.8	-0.1	12	0.8
Brent (US\$)**	60.9	-0.8	3.1	-5.6

*change in basis points; **US\$ (data as at 06:13 GMT)

Source: Reuters, Bloomberg, ING



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