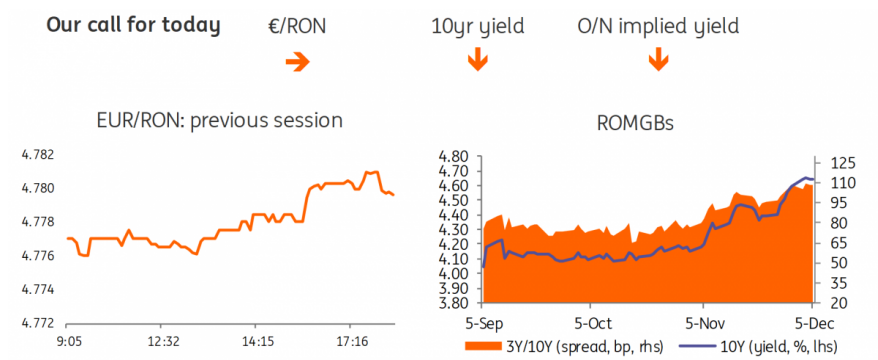


# Briefing Romania

## Strong Sep-2023 auction



Source: Refinitiv Datastream

## EUR/RON

Somewhat counterintuitively, the EUR/RON re-tested to the upside yesterday, trading close to 4.7800 once again. The relatively low turnover doesn't suggest strong underlying pressure, hence we expect the same 4.7700-4.7800 range to hold today.

## Government bonds

We didn't get it quite right on yesterday's primary auctions outcome. The 6M T-bills were rejected by the Ministry of Finance, probably as the total demand didn't cross the targeted RON500 million. The Sep-2023 auction on the other hand came in remarkably successful demand-wise, with RON1.75 billion in total demand, for the RON500 million targeted. In the end, RON 1.16 billion has been allocated at 4.07% average and 4.09% maximum yields, slightly better than we had expected. Otherwise, the secondary market activity remained subdued.

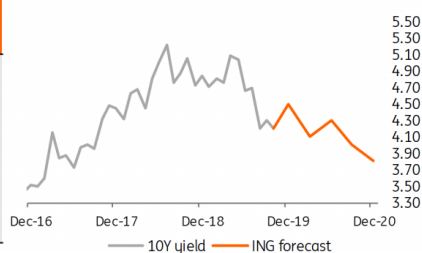
## Money market

The downside move in cash rates accelerated yesterday and short-term rates closed only marginally above 3.00%. The drop in funding matched a drop in the longer tenors as well, though to lesser extent. Overall, we maintain our call for a gradual but relatively slow improvement in liquidity conditions.

EUR/RON forecasts (eop)

|              | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 |
|--------------|------|------|------|------|------|
| ING forecast | 4.80 | 4.82 | 4.82 | 4.84 | 4.85 |
| FX Forward   | 4.79 | 4.83 | 4.88 | 4.92 | 4.97 |

|            | Spot   | %Ch  |      |      |
|------------|--------|------|------|------|
|            |        | 1D   | 1W   | 1M   |
| EUR/RON    | 4.7788 | 0.1  | -0.3 | 0.4  |
| EUR/PLN    | 4.2752 | -0.1 | -1.0 | 0.2  |
| EUR/HUF    | 330.70 | -0.1 | -1.5 | -0.4 |
| EUR/CZK    | 25.542 | 0.0  | -0.1 | 0.1  |
| RO 5Y CDS* | 87.9   | -1.1 | -1.8 | -2.3 |
| ROBOR O/N* | 3.11   | -5   | 45   | 62   |
| ROBOR 3M*  | 3.06   | 2    | 7    | 8    |



\*change in basis points; \*\*US\$ (data as at 06:20 GMT)

Source: Refinitiv Datastream, ING estimates

## Author

**Valentin Tataru**

Chief Economist, Romania

[valentin.tataru@ing.com](mailto: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 <http://www.ing.com>.