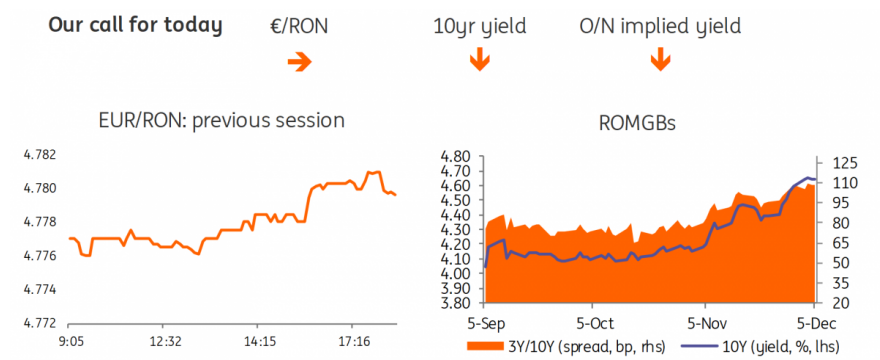


Briefing Romania

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.

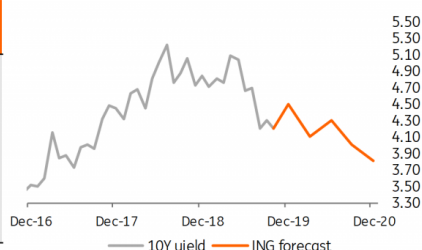
Money market

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

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