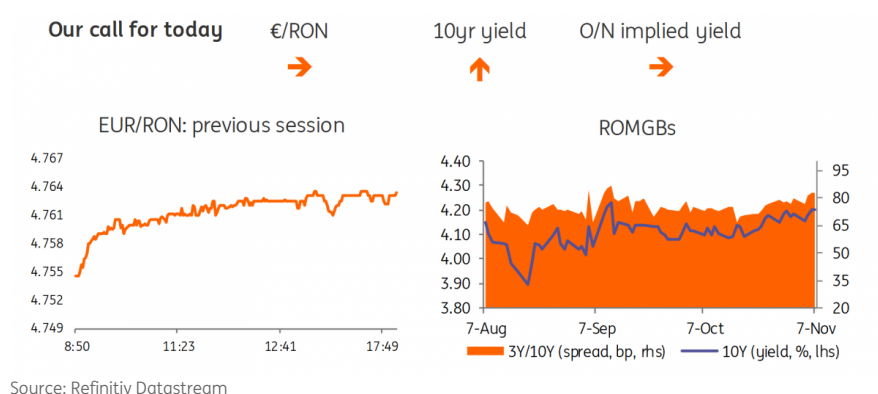


Briefing Romania

The National Bank of Romania left its key rate unchanged at 2.50%



EUR/RON

The above-average turnover in EUR/RON brought more upside pressure, with the pair printing the highest fixing since May this year. Yesterday, central bank Governor Mugur Isarecu downplayed the recent leu weakness, labelling the fluctuations as “minor”. Nevertheless, we believe that the general trend remains to the upside and it’s only a matter of time before a correction higher will occur (more on this [here](#) and [here](#)).

Government bonds

Romanian government bonds faced some selling interest yesterday, although with a lag compared to regional markets, with the curve adjusting three to four basis points higher at the longer end. The EUR200 million Dec-2023 auction enjoyed good demand of EUR773 million, with the Ministry of Finance upsizing the allocation to EUR338 million at a 0.24% average yield. Today however the story will likely be much different as a RON200 million Oct-2034 auction is planned. Last month, this particular ISIN witnessed quite split demand (see [here](#)) and we don't expect too much enthusiasm from the market for this tenor.

Money market

The money market remains calm these days as the liquidity surplus seems just enough to keep rates stable around 2.50%.

EUR/RON forecasts (eop)

	4Q19	1Q20	2Q20	3Q20	4Q20
ING forecast	4.80	4.82	4.82	4.84	4.85
FX Forward	4.77	4.81	4.85	4.89	4.94

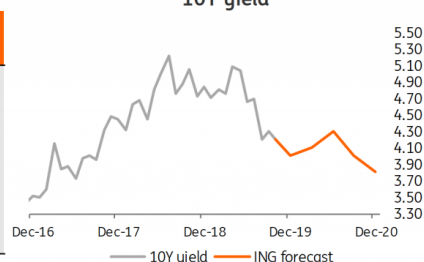
Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7588	0.1	0.0	0.2
EUR/PLN	4.2625	0.0	0.1	-1.4
EUR/HUF	331.65	0.3	0.6	-0.7
EUR/CZK	25.506	0.1	0.0	-1.1
RO 5Y CDS*	90.2	0.0	0.0	-0.8
ROBOR O/N*	2.49	-2	-32	-1
ROBOR 3M*	2.98	-1	-3	-8

*change in basis points; **US\$ (data as at 06:25 GMT)

Source: Refinitiv Datastream, ING estimates

10Y yield



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