

Briefing Romania

Strong 10Y government bond auction



➔ EUR/RON

As expected, not much has been going on in the FX market, with the EUR/RON trapped just below 4.7800. With cash rates softer, we could see upside pressure resume on the pair, though 4.7800 seems to be a line in the sand for the National Bank of Romania for now.

⬇️ ROMGBs

On the fixed income side we've had some consolidation, the curve closing broadly flat compared to the previous day. The highlight of the day was undoubtedly the RON500million Feb-2029 auction which garnered a 2.99x bid-to-cover ratio. The Ministry of Finance upsized to RON833 million at 4.67/4.69% average and maximum yields, slightly above our (admittedly optimistic) call of 4.65%. All in all, a strong auction.

⬇️ Money market

Cash rates continued to slide gradually lower, now trading around 2.75%. Despite this, the central bank's one week deposit auction didn't capture any interest from the local players. The downside move at the front end will probably slow down as we approach 2.50%.

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