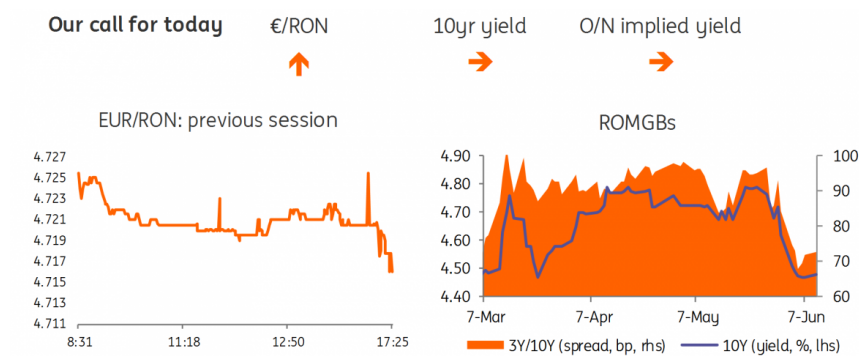


# Briefing Romania

RON600 million up for sale in April-2024



Source: Reuters

## ↑ EUR/RON

The impressive inflows into local currency seemed to continue on Friday, closing a remarkable week for the Romanian leu. The EUR/RON stabilised around 4.7200, though selling interest returned at the end of the day, pushing the pair slightly below this level. Should the inflows continue, we see strong support for the pair around 4.7050, though we tend to see it stabilising at current levels in the short term.

## → Government bonds

A bit of bull flattening on Romanian bonds again as longer-dated paper dropped 4-5 basis points.

Today's RON600 million April-2024 auction is expected to be covered mainly by local ALM's. We don't expect screaming demand but given the positive sentiment seen lately we could see an average allocation slightly below 4.30%.

## ➔ Money market

Cash rates have remained anchored around the central bank's 2.50% key rate. Absent any deposit taking auction today, we could see the front end moving slightly lower.

## The week ahead

In the US, consumer spending is likely to rebound strongly after a more subdued April, given the tight jobs market and mounting wage pressures. Inflation looks set to dip back slightly below target following the modest decline in gasoline pump prices over the past month. In the eurozone, industrial production has been sluggish for quite some time now and it doesn't look like this will change anytime soon. The downward trend is unlikely to have been broken in April as activity surveys have remained subdued and German production data also came in negatively. Domestically, May CPI is in focus with ING having a below consensus call which could support ROMGBs. Range for the week: 4.7050-7.7350.

EUR/RON forecasts (eop)

	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.77	4.78	4.85	4.87	4.88
FX Forward	4.73	4.78	4.83	4.88	4.91

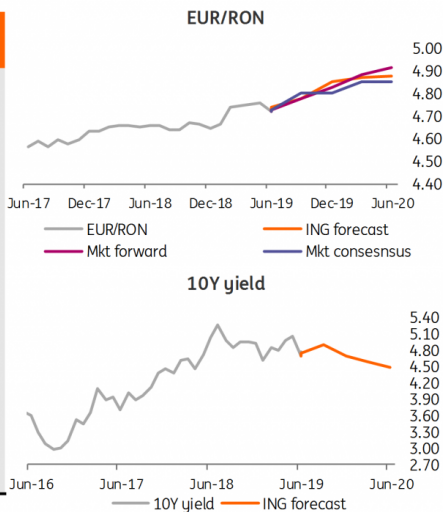
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7175	-0.1	-0.6	-0.9
EUR/PLN	4.2613	-0.3	-0.4	-0.8
EUR/HUF	319.96	-0.3	-1.6	-1.3
EUR/CZK	25.598	-0.1	-0.9	-0.5
RO 5Y CDS*	87.8	0.0	-10.7	1.9
ROBOR O/N*	2.64	-2.0	-5.0	11.0
ROBOR 3M*	3.25	1.0	0.0	-5.0
DAX	12045.4	0.8	3.0	0.9
S&P 500	2873.3	1.1	5.0	0.6
DE 10Y*	-0.25	-2.2	-4.4	-19.5
US 10Y*	2.12	-3.9	-1.8	-33.3
Gold (US\$)**	1327.0	0.4	1.7	3.4
Brent (US\$)**	63.5	2.6	2.4	-8.6

\*change in basis points; \*\*US\$ (data as at 06:15 GMT)

Source: Reuters, Bloomberg, ING



## Author

### Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

[ciprian.dascalu@ing.com](mailto:ciprian.dascalu@ing.com)

### 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 [www.ing.com](http://www.ing.com).