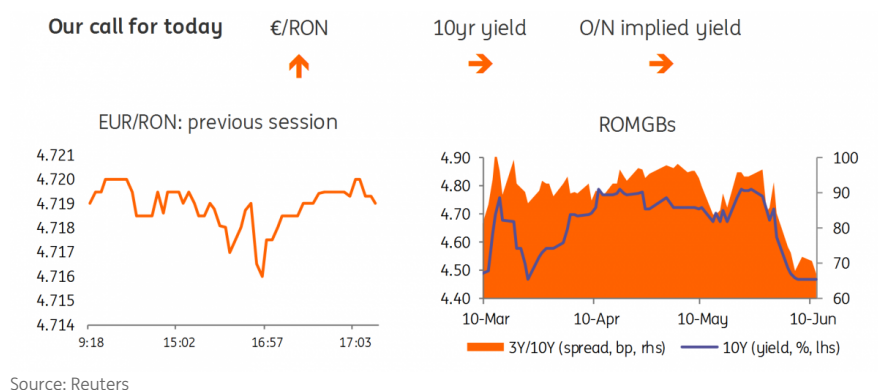


Briefing Romania

NBR resuming open market operations



↑ EUR/RON

It was back to normal for the Romanian leu yesterday as the currency floated in a narrow 30 pips band against the euro, closing the day around the opening level of 4.7190. As yesterday's trade balance data has shown, fundamental pressures continue to point towards leu depreciation. The 2019 January-April trade gap widened by 34% YoY, exceeding EUR5bn.

→ Government bonds

An overall calm secondary market was outshone by a buoyant primary market yesterday. The Ministry of Finance allocated RON990m versus the RON600m targeted for the April-2024 auction,

at an average of 4.29% and maximum of 4.30%. Total demand stood at RON1.68bn and was quite well clustered. This high demand could be partly a result of the upcoming large redemption of almost RON9bn from 24 April, as some players are looking to rollover their investments.

➔ Money market

The National Bank of Romania organized a one week deposit taking auction yesterday which anchored the front end even more firmly around the key rate. 9 banks placed a total of RON940m with the central bank.

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

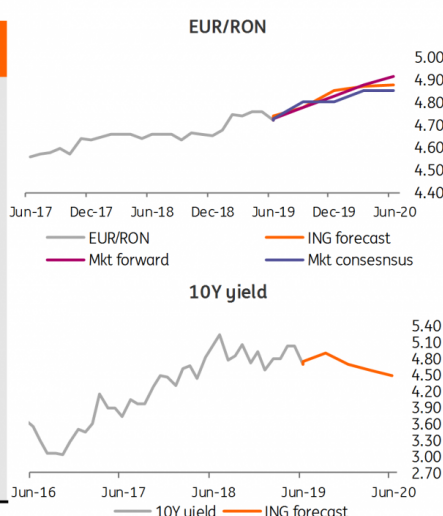
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7170	0.0	-0.3	-0.9
EUR/PLN	4.2619	0.1	-0.4	-0.8
EUR/HUF	310.83	0.0	-1.1	-1.0
EUR/CZK	25.623	0.0	-0.7	-0.3
RO 5Y CDS*	87.9	0.1	-0.7	0.6
ROBOR O/N*	2.69	5.0	5.0	5.0
ROBOR 3M*	3.24	-1.0	0.0	-6.0
DAX	0	0.8	-99.7	-99.7
S&P 500	2886.7	0.5	5.7	0.7
DE 10Y*	-0.22	25.5	-2.2	-17.3
US 10Y*	2.15	5.7	6.6	-30.8
Gold (US\$)**	1328.5	-0.9	0.3	3.3
Brent (US\$)**	62.8	-1.6	2.5	-9.8

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

Source: Reuters, Bloomberg, ING



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