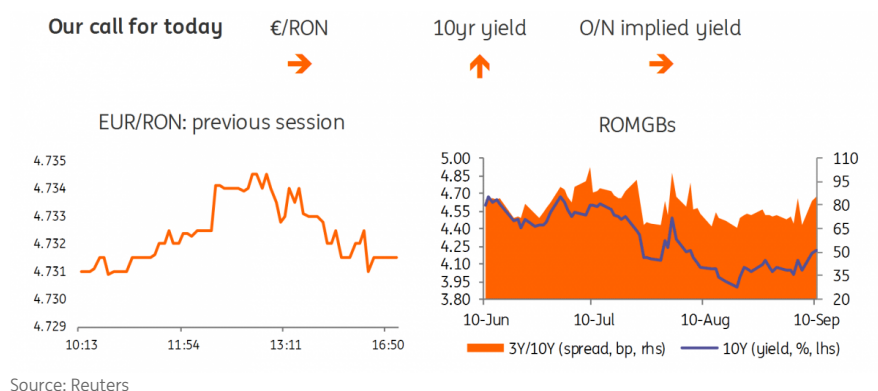


Briefing Romania

The calm before the ECB



EUR/RON

Despite the relatively higher turnover versus the previous day, the EUR/RON continued to trade narrowly just above 4.7300 where it also closed. We continue to see the pair gradually inching upward as bond inflows diminish and fundamentals continue to deteriorate.

Government bonds

A very quiet market ahead of tomorrow's European Central Bank meeting. With no meaningful surprises from today's inflation data (August CPI came in at 3.90% year-on-year against market consensus and our forecast of 3.80%) we expect the market to stay in wait-and-see mode today.

Money market

It's business as usual on the money market. If anything, the curve has steepened a touch – normal in our view – but implied yields are still within a fairly tight range, from 2.45% at the front end to 2.90% at the back.

EUR/RON forecasts (eop)

	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.75	4.80	4.82	4.82	4.84
FX Forward	4.77	4.81	4.85	4.89	4.94

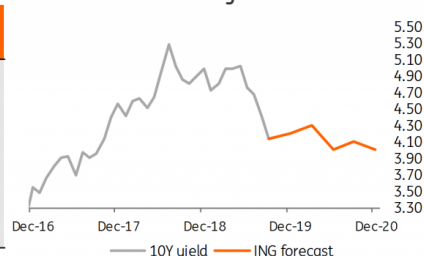
Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7310	0.1	0.1	0.2
EUR/PLN	4.3317	0.0	-0.2	0.1
EUR/HUF	331.43	0.5	0.4	2.2
EUR/CZK	25.854	0.0	0.1	0.0
RO 5Y CDS*	87.5	-0.1	-0.1	-0.2
ROBOR O/N*	2.50	-6	-17	-8
ROBOR 3M*	3.04	-1	-1	-5

*change in basis points; **US\$ (data as at 06:14 GMT)

Source: Reuters, ING estimates

10Y yield



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