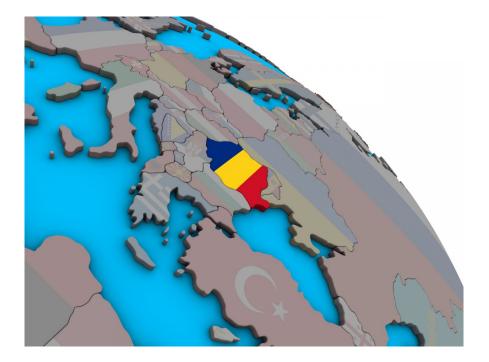
THINK economic and financial analysis



Romania

Briefing Romania

The calm before the ECB





Source: Reuters

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 fo	recasts (e	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 rade	ar					10Y yield	
		%Ch				5.50	
	Spot	1D	1W	1M		٨	5.30
EUR/RON	4.7310	0.1	0.1	0.2		MM	5.10 4.90
EUR/PLN	4.3317	0.0	-0.2	0.1	\sim		4.70 4.50
EUR/HUF	331.43	0.5	0.4	2.2	/*		4.30
EUR/CZK	25.854	0.0	0.1	0.0	an	- 1	4.10 3.90
RO 5Y CDS*	87.5	-0.1	-0.1	-0.2	V V		3.70 3.50
ROBOR O/N*	2.50	-6	-17	-8			
ROBOR 3M*	3.04	-1	-1	-5	Dec-16 Dec-17	Dec-18 Dec-19 Y ujeld — ING forecas	Dec-20

*change in basis points; **US\$ (data as at 06:14 GMT) — 10Y yield — ING forecast

Source: Reuters, ING estimates

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