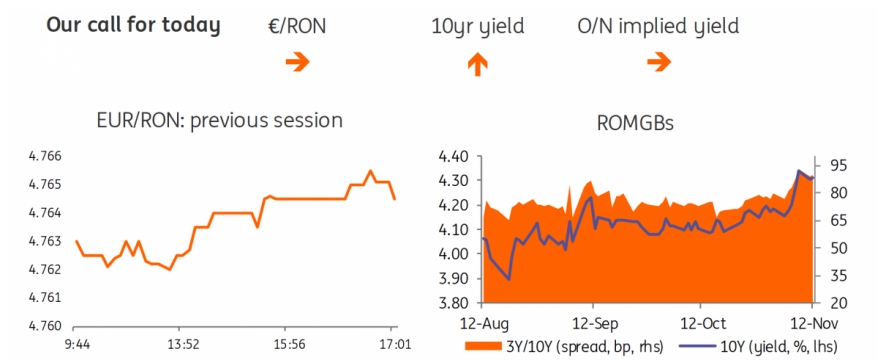


Briefing Romania

Very good Sep-2023 auction



EUR/**RON**

Much in line with previous trading sessions, the EUR/**RON** traded in a narrow 4.7620-4.7650 range. We expect sideways trading around 4.7650 for today and likely for the days to come as well.

Government bonds

It was a quiet trading day for Romanian government bonds, having only the Sep-2023 auction to enthral the market. As expected, demand was strong, with a 2.9x bid-to-cover ratio. The already traditional upsizing went a step further this time as the Ministry of Finance accepted RON792 million versus the RON500 million target at 3.86% average and 3.87% maximum yields. Overall, a strong result we'd say.

Money market

Cash rates look quite immobile these days, trading flat just below 2.50%. The central bank drained RON4.9 billion yesterday in its weekly deposit taking auction. The liquidity surplus looks comfortable enough to keep rates steady for the remainder of the reserve period.

EUR/RON forecasts (eop)

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

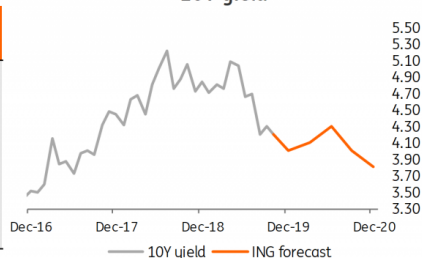
Market radar

| | Spot | 1D | %Ch | |
|------------|--------|------|------|------|
| | | | 1W | 1M |
| EUR/RON | 4.7630 | 0.0 | 0.2 | 0.3 |
| EUR/PLN | 4.2725 | 0.1 | 0.1 | -0.7 |
| EUR/HUF | 333.97 | 0.1 | 1.4 | 0.5 |
| EUR/CZK | 25.503 | 0.1 | -0.1 | -1.3 |
| RO 5Y CDS* | 90.1 | -0.1 | -0.1 | -0.6 |
| ROBOR O/N* | 2.53 | 5 | -2 | 6 |
| ROBOR 3M* | 2.97 | 0 | -2 | -9 |

*change in basis points; **US\$ (data as at 06:22 GMT)

Source: Refinitiv Datastream, ING estimates

10Y yield



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