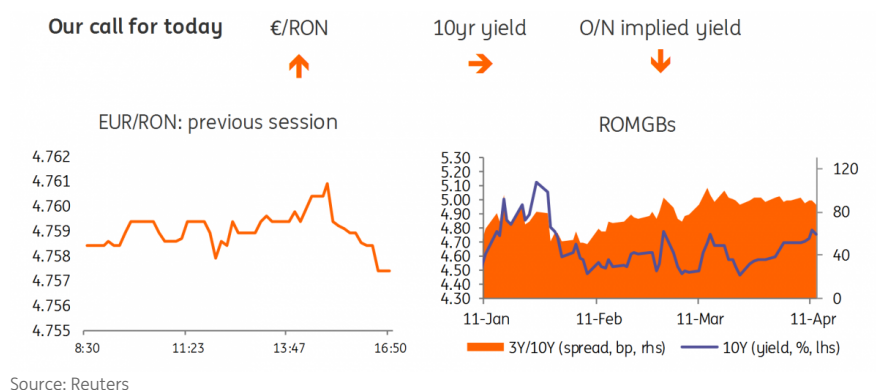


Briefing Romania

Good 10-year auction



EUR/RON

The Romanian leu remained captive in a tight range around 4.7600 against the euro, on below average turnover. Today's current account data – which we expect to be weak again – could animate the market a bit.

Government bonds

Romanian government bonds recovered some 1-2 basis points of the previous day's losses. The RON400 million 1Y T-bills auction attracted total bids of only RON220 million, at an average yield of 3.44%. All bids have been rejected by the Ministry of Finance, presumably due to the low demand

rather than the yield itself. On the other hand the RON300 million Feb-2029 auction came in a lot better, at least demand-wise. As anticipated, the 5.00% mark acted as a trigger for investors. Out of the total RON775 million bids, the Ministry of Finance allocated RON322 million at 4.98% average and 5.01% maximum yields. It's worth noting the average of all yields stood at 5.02%, hence quite well clustered demand.

↓ Money Market

Cash came in a bit cheaper yesterday, closing around 3.30%. We could have a few calmer days for the tenors covering the current reserve period, for whatever trades on the next reserve seem to be priced above 4.00%.

EUR/RON forecasts (eop)

	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.77	4.78	4.85	4.87	4.88
FX Forward	4.81	4.86	4.92	4.96	4.99

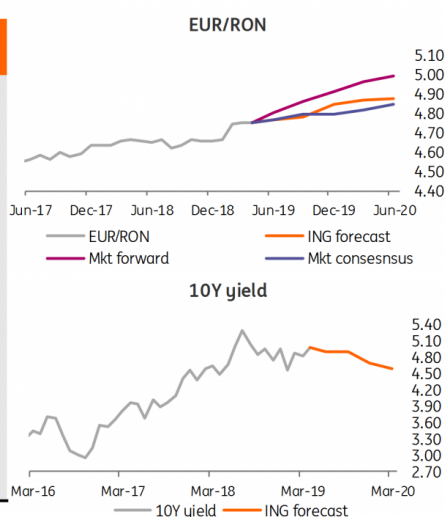
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7565	0.0	0.2	-0.5
EUR/PLN	4.2822	0.1	-0.1	-0.4
EUR/HUF	322.01	0.3	0.6	2.3
EUR/CZK	25.605	0.1	-0.2	-0.2
RO 5Y CDS*	106.4	-0.3	-3.5	2.5
ROBOR O/N*	3.49	-4.0	-5.0	179.0
ROBOR 3M*	3.36	0.0	-2.0	30.0
DAX	11935.2	0.3	-0.1	3.5
S&P 500	2888.32	0.0	0.8	3.3
DE 10Y*	-0.01	2.7	-0.8	-7.8
US 10Y*	2.50	2.7	-15	-115
Gold (US\$)**	1293.7	-12	0.1	-12
Brent (US\$)**	711	-13	2.4	5.4

*change in basis points; **US\$ (data as at 08:15 GMT)

Source: Reuters, Bloomberg, ING



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