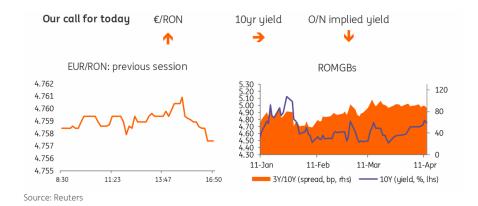


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# **Briefing Romania**

# 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

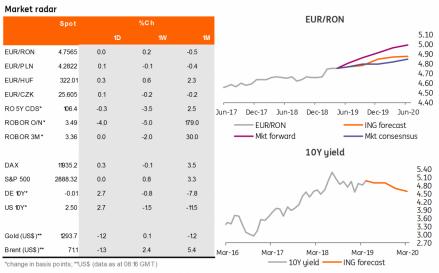
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rather than the yield itself. On the other hand the RON300 million Feb-2029 auction came in a lot better, at least demand-wise. As anticipated, the 5.00% mark acted as a trigger for investors. Out of the total RON775 million bids, the Ministry of Finance 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%.

	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, Bloomberg, ING

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