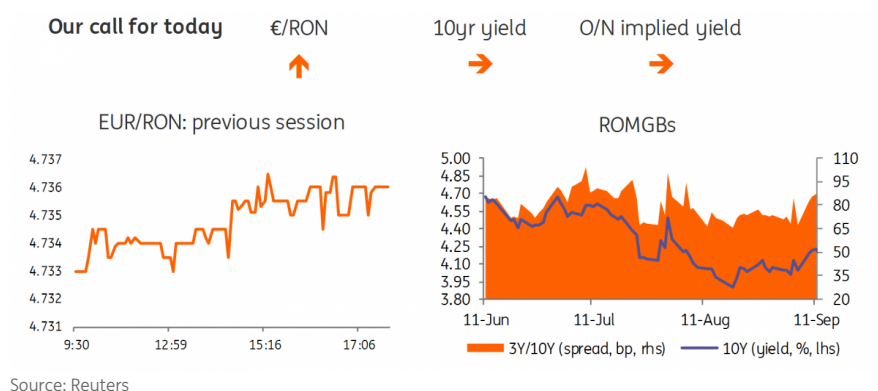


Briefing Romania

EUR/RON nearing 4.7400



EUR/RON

The EUR/RON continued to slowly inch upwards, closing above 4.7350 on below average turnover. For today we expect a 4.7300-4.7400 range with upside bias.

Government bonds

The slightly **better-than-expected inflation** data didn't exactly send shockwaves through the fixed income market, with ROMGBs closing almost flat versus the previous day. Today's RON600 million Aug-2022 auction should attract good demand as the tenors suits a broad range of investors. We expect an average allocation towards the lower end of the secondary market levels of 3.41%. Otherwise, the market will likely wait for the outcome of the European Central Bank meeting today.

Money market

Cash rates traded with a slight softening bias, but not materially departing from the 2.50% key rate. We expect the same stance for the days to come.

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	4.86	4.90	4.95

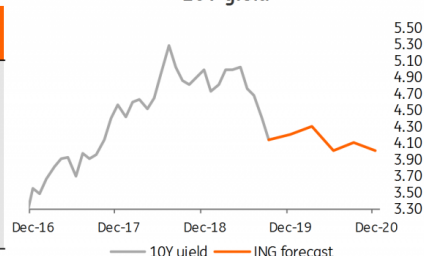
Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7354	0.1	0.2	0.3
EUR/PLN	4.3380	0.2	0.0	0.1
EUR/HUF	331.73	0.1	0.7	2.6
EUR/CZK	25.890	0.2	0.1	0.2
RO 5Y CDS*	86.9	-0.7	-0.6	-1.8
ROBOR O/N*	2.47	-3	-16	-11
ROBOR 3M*	3.05	1	1	-4

*change in basis points; **US\$ (data as at 06:12 GMT)

Source: Reuters, ING estimates

10Y yield



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