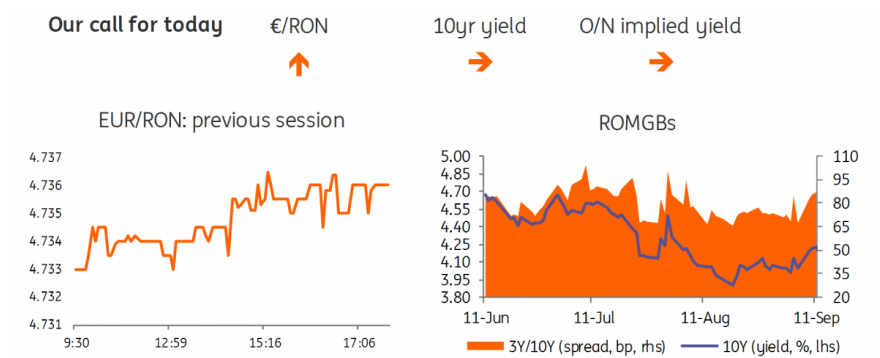


Briefing Romania

EUR/RON nearing 4.7400



Source: Reuters

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 |

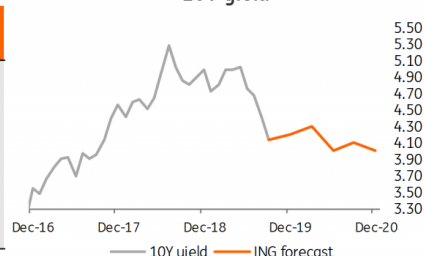
Market radar

| | 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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