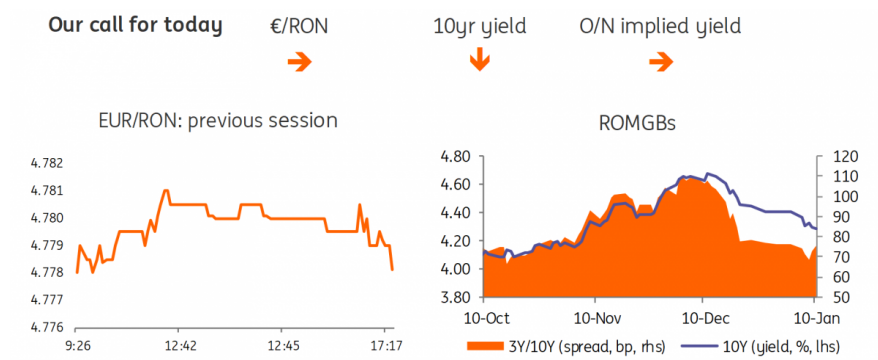


Briefing Romania

Another strong auction for the MinFin?



EUR/RON

The EUR/RON witnessed some increased turnover on Friday, testing the 4.7800 resistance throughout the day. It closed just below it, around 4.7790. We expect more upside tests these days and eventually a shift upward in the pair's comfort zone where 4.7800 would likely become a support.

Government bonds

On the fixed income market the buying interest prevailed, particularly in the longer end of the curve. This was likely on the back of many bids being left unsatisfied at Thursday's Sep-2031 auction and looking to buy in the secondary market. Hence, the curve shifted a couple of basis points lower.

Today the MinFin aims to sell RON800 million in June-2024 bonds. The amount looks daring but the demand seems to be there. We expect the target amount to be allocated around secondary market mid-levels of 3.90% but positive surprises seem to become a rule recently.

Money market

Cash rates enjoy a period of stability close to the 2.50% key rate and should remain around current levels until the end of the minimum reserve period. Otherwise, selling interest still prevails on the longer end of the curve due to the generous liquidity conditions.

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