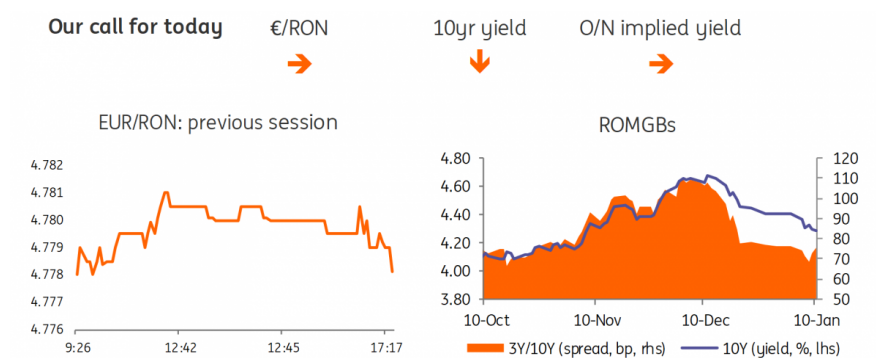


Briefing Romania

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.

Author

Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

ciprian.dascalu@ing.com

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.