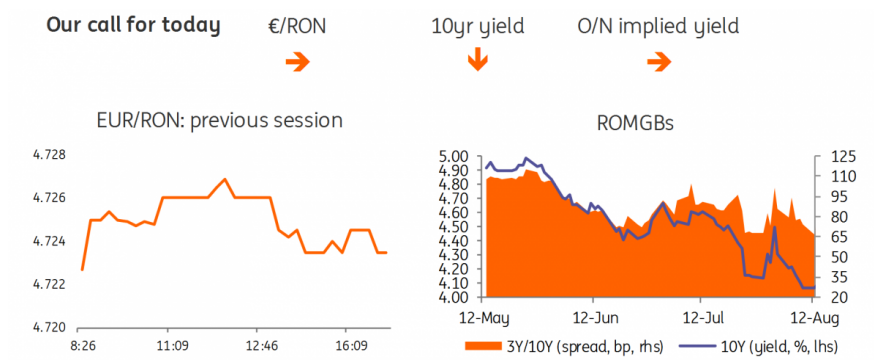


Briefing Romania

ROMGBs shrugged off above-expectations inflation numbers



EUR/RON

The bond driven inflows continue to pressure EUR/RON on the downside. For now we see limited potential in any direction, hence stable FX is the name of the game these days.

Government bonds

It's more of the same on the fixed income market, with the local and global investors searching for yields wherever they can. This time it was the RON600 million April-2026 auction that amazed the market with a RON1.8billion demand and 3.90% average and maximum yields for the target amount, simply ignoring the slightly **higher than expected CPI** numbers. This was quite an aggressive bid in our view but who can say that the trend isn't going that way?

Money market

The National Bank sterilised RON4.98 billion in its one week deposit auction, which left market rates trading flat, just above the 2.50% key rate. After yesterday's inflation data, we don't expect any changes in liquidity management before 4Q19.

EUR/RON forecasts (eop)

	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.77	4.80	4.82	4.85	4.87
FX Forward	4.77	4.81	4.85	4.90	4.94

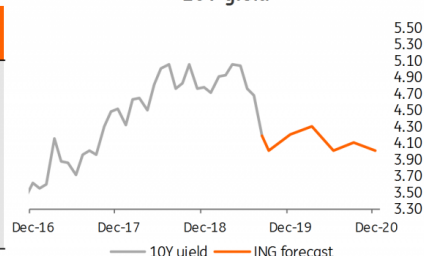
Market radar

	Spot	1D	%Ch	
			1W	1M
EUR/RON	4.7230	-0.1	-0.2	-0.1
EUR/PLN	4.3268	0.1	0.1	1.3
EUR/HUF	324.15	0.0	-0.8	-0.6
EUR/CZK	25.812	0.0	0.0	0.9
RO 5Y CDS*	87.8	-0.8	-1.6	-0.8
ROBOR O/N*	2.58	-2	-6	61
ROBOR 3M*	3.09	0	1	-7

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

Source: Reuters, ING estimates

10Y yield



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