

Briefing Romania

Strong September 2023 auction



EUR/RON

As we get closer to the year-end it looks that the trading interest for the EUR/RON is diminishing, which keeps the pair stable in a very narrow range just below 4.7800. With no major economic data left on the calendar, it is mainly the politics that can still trigger some volatility for the currency market.

Government bonds

The recent upward adjustment in Romanian government bonds, yields seems to have ended as prices reached an equilibrium where they became attractive again.

Consequently, yesterday's September 2023 auction came out very good demand and yield wise. The surprise came actually from the MinFin's decision to allocate only the RON500 million target amount at 4.12% average and maximum yield, despite a very strong and clustered demand of RON1.57 billion. This is raising some questions regarding MinFin's funding strategy for this year-end, but for now little can be deducted about it.

Money market

Cash rates have stabilised in the 2.75-3.00% range. We should remain around current levels until this month's budget payments.

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