

Briefing Romania

Strong primary auctions continue



EUR/RON

The Romanian leu followed the same pattern as it has in recent days, in other words, it's almost at a standstill, just below the 4.7800 level. The turnover remained relatively low, and there's no reason to expect a different pattern today.

Government bonds

On the fixed income side, it's all about the primary market auctions again. We had another strong result yesterday when the Ministry of Finance issued RON1.19 billion (versus an already impressive RON800 million target) at 3.89% average and 3.91% maximum yields. A very good auction in our view. In the same vein, MinFin announced yesterday that it plans to tap the external markets for EUR6 billion this year, above the EUR5 billion initial estimate. If successful, this will alleviate some of the worries regarding the relatively high monthly issuance needs to be financed from the domestic market.

Money market

The funding market remains very stable these days just above 2.50%. Yesterday's NBR deposit

auction garnered RON3.8 billion, slightly less than in the previous week, but still enough to suggest a good liquidity backdrop.

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