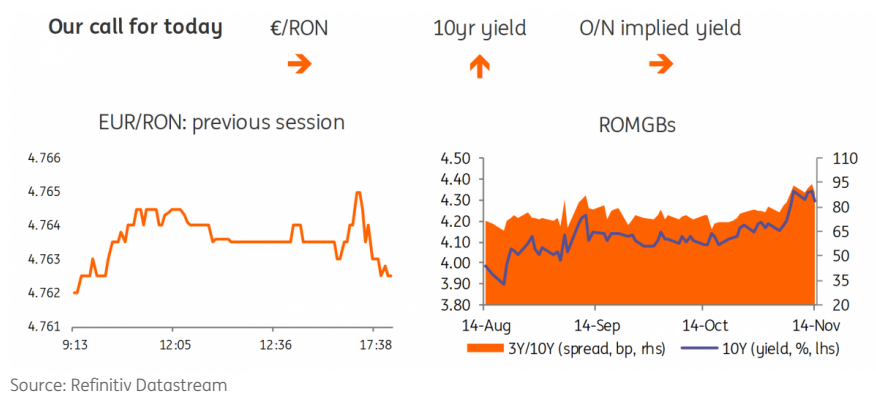


Briefing Romania

The ten-year auction is in sight



EUR/RON

The EUR/RON didn't offer much novelty yesterday, trading just below 4.7650 for most of the day. The relatively increased turnover around fixing time could suggest central bank involvement to fend off RON weakening pressures and/or maybe to avoid another historical high print for the fixing which is widely watched by the local media.

Government bonds

Romanian bonds remain a touch better offered these days. Today's 10Y auction should see good demand in the 4.30-4.35% range. On the other hand, the market is waiting for news of this year's fiscal deficit. More precisely, it is still very much unclear by how much the deficit will exceed 3.0% of GDP.

Money market

Money market implied yields remain stable just below 2.50% in the front end. Yesterday's central bank minutes of the latest meeting revealed one Board member's opinion that "given the macroeconomic conditions and the domestic and external risks, maintaining strict control over money market liquidity was of the essence".

EUR/RON forecasts (eop)

	4Q19	1Q20	2Q20	3Q20	4Q20
ING forecast	4.80	4.82	4.82	4.84	4.85
FX Forward	4.77	4.82	4.86	4.89	4.94

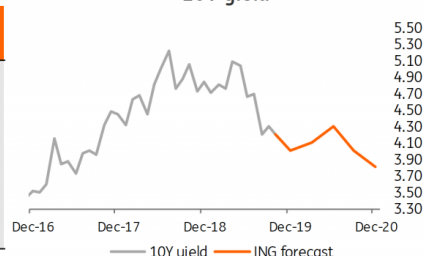
Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7651	0.0	0.1	0.2
EUR/PLN	4.2930	0.3	0.6	0.1
EUR/HUF	333.85	-0.3	0.6	0.5
EUR/CZK	25.562	0.0	0.1	-0.8
RO 5Y CDS*	90.3	0.0	0.2	-0.4
ROBOR O/N*	2.51	0	2	8
ROBOR 3M*	2.97	0	-1	-8

*change in basis points; **US\$ (data as at 06:24 GMT)

Source: Refinitiv Datastream, ING estimates

10Y yield



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