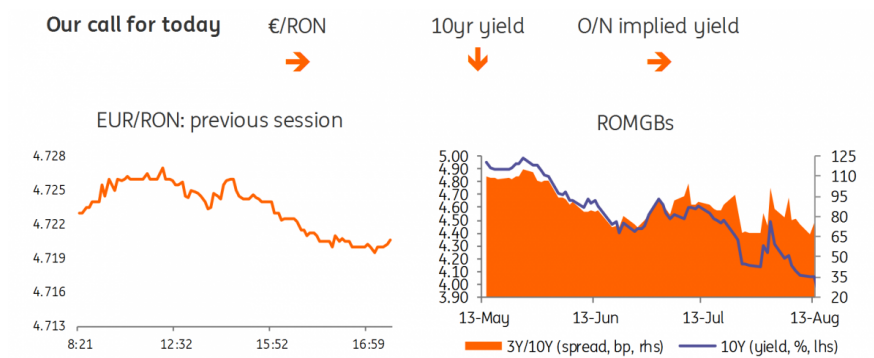


# Briefing Romania

EUR/RON testing 4.7200 again



Source: Reuters

## EUR/RON

EUR/RON tested the 4.7200 level again as a wave of optimism swept through the markets following the [latest delay in trade tariffs](#) and we believe the central bank will defend this level if necessary. We, therefore, expect a range of 4.7200-4.7250 for today as the market seems to be immune to the [widening current account](#) as capital inflows pour in.

## Government bonds

On the fixed income front, things were much quieter yesterday with the yield curve closing broadly flat versus the previous day. The positive trade news and sticky [US core inflation](#) could help local and global investors to lay back and redo the math on how long the Romanian government bonds rally could last.

## Money market

The money market has turned remarkably stable as the central bank has been consistent in its market operation so far. Cash rates remain well anchored around 2.50% and we are likely to see that for much of 2019.

### 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	4.89	4.94

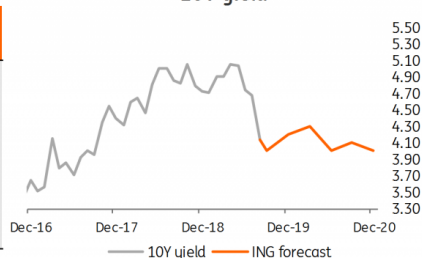
### Market radar

	Spot	1D	%Ch	
			1W	1M
EUR/RON	4.7205	-0.1	-0.2	-0.2
EUR/PLN	4.3353	0.1	0.3	1.5
EUR/HUF	323.41	0.0	-1.0	-0.8
EUR/CZK	25.822	0.0	0.0	0.9
RO 5Y CDS*	88.7	-0.8	-0.6	0.2
ROBOR O/N*	2.58	-2	-6	61
ROBOR 3M*	3.09	0	1	-7

\*change in basis points; \*\*US\$ (data as at 06:16 GMT)

Source: Reuters, ING estimates

### 10Y yield



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