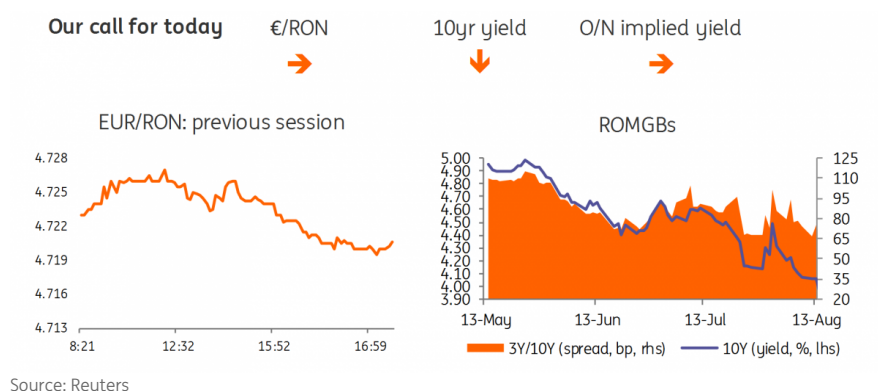


Briefing Romania

EUR/RON testing 4.7200 again



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

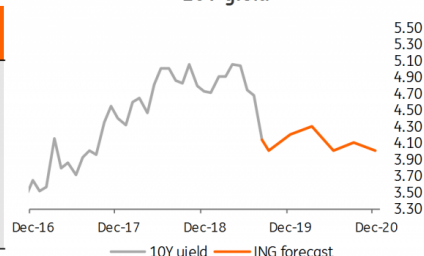
Market radar

	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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