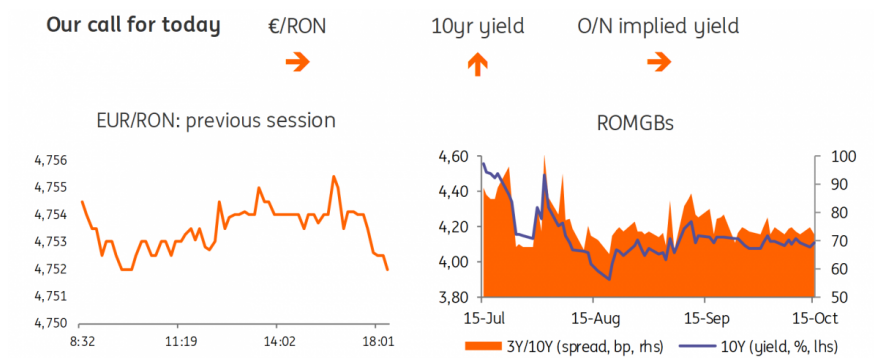


Briefing Romania

Toppish Sep-2023 auction



Source: Reuters

EUR/RON

The EUR/RON remains relatively stable above 4.7500. Political developments should keep upside pressure on the pair but 4.7600 looks like good resistance.

Government bonds

Romanian government bonds traded more defensively yesterday and the curve steepened a few basis points. The Sep-2023 auction came on the weaker side of expectations at 3.74% and 3.77% average and maximum yields. Somewhat surprisingly, the Ministry of Finance sold RON658 million out of the total RON704 million demand versus the RON500 million planned, suggesting still-elevated financing needs.

Money market

RON7.17 billion was sterilised by the central bank yesterday at its one week deposit auction. We tend to see the front end inching towards the 2.0% area as we approach the end of the minimum reserve period.

EUR/RON forecasts (eop)

| | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 |
|--------------|------|------|------|------|------|
| ING forecast | 4.80 | 4.82 | 4.82 | 4.84 | 4.85 |
| FX Forward | 4.78 | 4.82 | 4.86 | 4.91 | 4.95 |

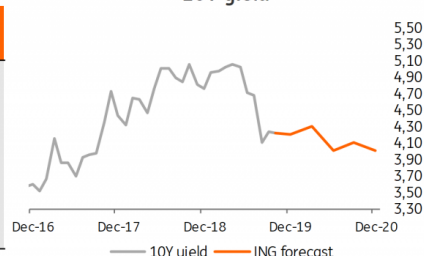
Market radar

| | Spot | 1D | %Ch | |
|------------|--------|-----|------|------|
| | | | 1W | 1M |
| EUR/RON | 4.7525 | 0.0 | 0.1 | 0.4 |
| EUR/PLN | 4.2945 | 0.0 | -1.5 | -0.9 |
| EUR/HUF | 331.44 | 0.0 | -0.7 | -0.1 |
| EUR/CZK | 25.812 | 0.0 | 0.1 | -0.2 |
| RO 5Y CDS* | 90.7 | 0.0 | -0.1 | 3.1 |
| ROBOR O/N* | 2.51 | 4 | -1 | 35 |
| ROBOR 3M* | 3.05 | -1 | -3 | 0 |

*change in basis points; **US\$ (data as at 06:35 GMT)

Source: Reuters, ING estimates

10Y yield



Author

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

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