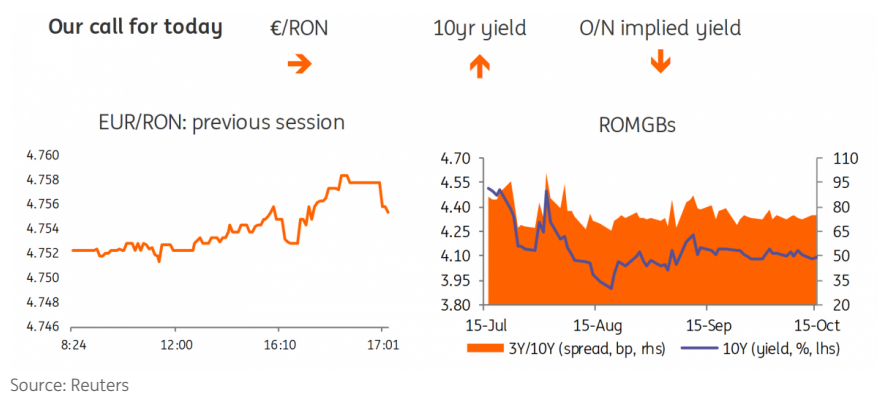


Briefing Romania

Market following political developments



EUR/RON

The Romanian leu followed broadly the same pattern as seen in previous days while maintaining a relatively tight 4.7520-4.7580 trading range against the euro. Until the political situation is clarified we continue to see depreciation pressure on the leu prevailing.

Government bonds

The yield curve continued to steepen a bit on very little secondary market activity and defensive trading. Positive Brexit news as well as local politics have incentivised the sellers. On the former, we might see fresh developments this week (more on this [here](#)) while the latter is unlikely to become clearer until later next week. Hence, defensive trading should prevail for Romanian government bonds.

Money market

In line with our view, cash rates began to inch lower and closed the day around 2.30%. The move should continue towards the 2.00% area. Longer tenors have been better offered as well on lower funding rates.

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	4.90	4.95

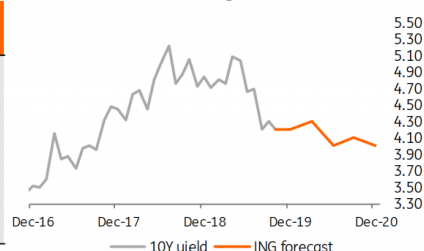
Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7550	0.0	0.1	0.4
EUR/PLN	4.2928	-0.1	-0.7	-0.9
EUR/HUF	332.44	0.2	-0.5	0.1
EUR/CZK	25.780	-0.1	-0.1	-0.3
RO 5Y CDS*	90.8	0.1	-0.2	3.5
ROBOR O/N*	2.43	-8	-7	4
ROBOR 3M*	3.05	0	-1	-1

*change in basis points; **US\$ (data as at 06:41 GMT)

Source: Reuters, ING estimates

10Y yield



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