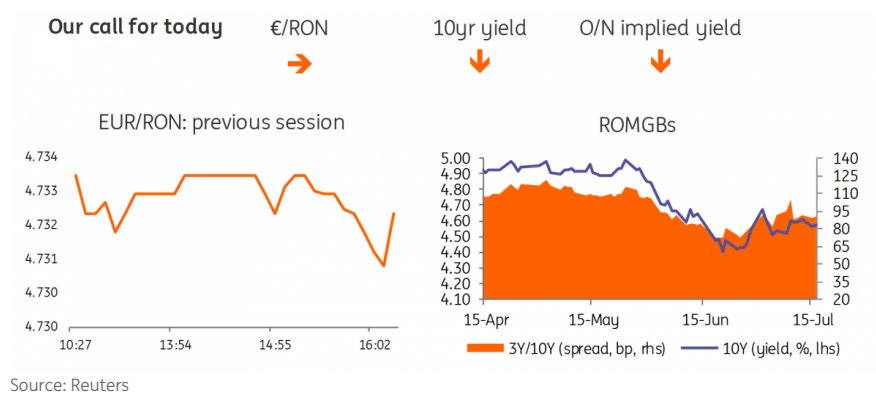


Briefing Romania

Abundant liquidity surplus



EUR/RON

Yesterday, the EUR/RON had one of its quietest days in a while, trading within 20 pips around 4.7320 on very low turnover. As expected, the current account data didn't stir the market, despite showing a 33% widening for the first five months of 2019 versus the same period of 2018.

Government bonds

Romanian government bonds seem to be back in fashion as the curve shifted another 5-7 basis points lower, particularly in longer tenors. The April-2026 auction came out strong demand-wise, with RON500 million allocated at 4.35/4.36% average and maximum yields out of a total demand of RON1.03 billion.

Money market

The central bank's deposit auction gathered quite an impressive RON17 billion from 21 participants, revealing an abundant liquidity surplus. We expect the cash rates to resume their downward trend and inch below 2.00% again.

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	4.86	4.89	4.94

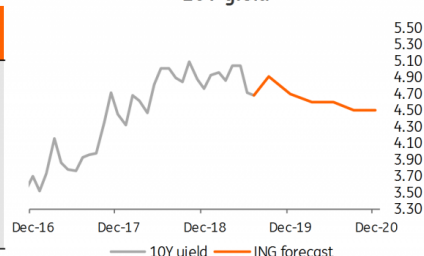
Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7310	0.0	0.2	0.1
EUR/PLN	4.2614	-0.2	0.1	0.1
EUR/HUF	325.36	-0.2	0.2	0.9
EUR/CZK	25.593	0.1	0.3	0.1
RO 5Y CDS*	88.4	-0.1	0.1	-0.8
ROBOR O/N*	2.25	28	-7	-40
ROBOR 3M*	3.15	-1	-3	-9

*change in basis points; **US\$ (data as at 06:258 GMT)

Source: Reuters, ING estimates

10Y yield



Author

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

ciprian.dascalu@ing.com

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