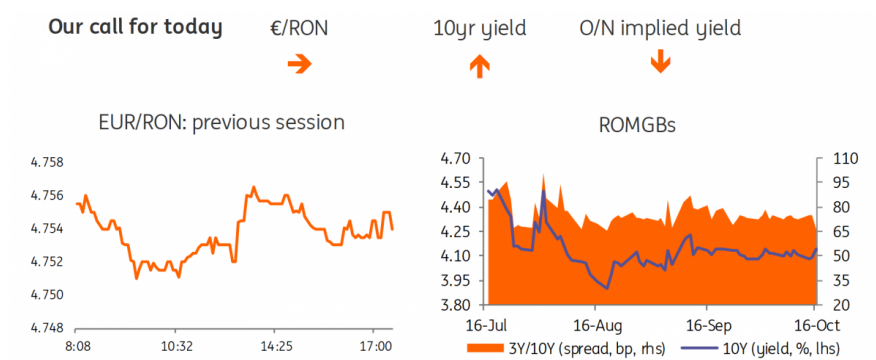


# Briefing Romania

Another attempt with a new 15Y bond



Source: Reuters

## EUR/RON

It was another day of range trading for the EUR/RON which floated around 4.7540 for most of the day. The 4.7500-4.7600 range continues to hold, with upside pressures likely to prevail.

## Government bonds

A new 15-year bond is being auctioned today for RON100 million. Last month, the same tenor garnered total demand of RON134 million at an average yield of 4.77% and resulted in a rejection of all bids by the Ministry of Finance. We don't have any reason to believe that the market will bid lower today, hence we might see another failed auction unless MinFin makes some yield concession.

We'll also have a RON200million 1-year auction, which should see decent demand around 3.20%

## Money market

Cash rates continue to slide lower though at a slower pace than we were expecting. Still, given the inconvenient settlement dates of next week's NBR deposit auction - which capture days on the current and the next reserve period as well- we expect the funding to reach the deposit facility today or tomorrow.

EUR/RON forecasts (eop)

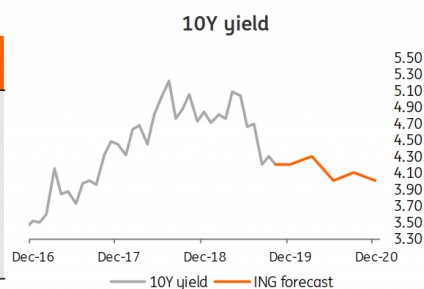
	4Q19	1Q20	2Q20	3Q20	4Q20
ING forecast	4.80	4.82	4.82	4.84	4.85
FX Forward	4.77	4.82	4.86	4.90	4.95

Market radar

	%Ch			
	Spot	1D	1W	1M
EUR/RON	4.7535	0.0	0.1	0.5
EUR/PLN	4.2864	-0.2	-0.8	-1.1
EUR/HUF	332.58	0.1	-0.5	-0.3
EUR/CZK	25.749	-0.1	-0.2	-0.6
RO 5Y CDS*	90.7	-0.1	-0.3	3.5
ROBOR O/N*	2.34	-9	-15	20
ROBOR 3M*	3.04	-1	-3	-2

\*change in basis points; \*\*US\$ (data as at 05:58 GMT)

Source: Reuters, ING estimates



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