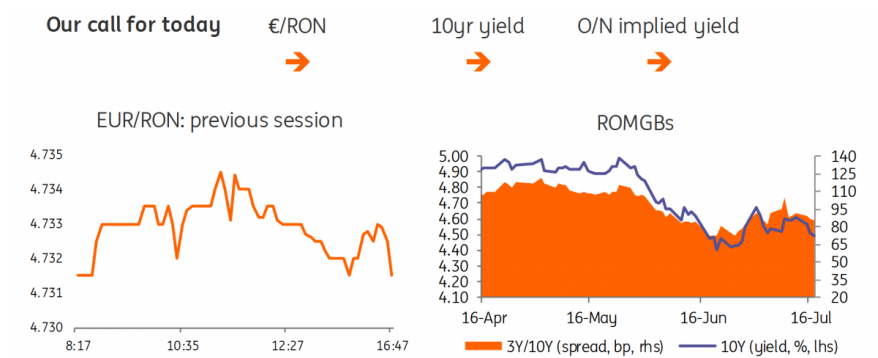


# Briefing Romania

## EUR/RON stuck in range trading



## EUR/RON

The EUR/RON seems to be having a harder time than before breaking below 4.7300, which appears to be acting as a new support level. For today we expect the pair to be stable around or slightly above 4.7300.

## Government bonds

Romanian government bonds have followed the regional trend and embarked on a mild bear steepening move possibly related to the stronger-than-expected [US retail sales data](#). With no important data on the local calendar we expect a quiet day ahead for ROMGBs.

## Money market

Cash rates continued to trade below the 2.50% key rate but without the downside pressure we'd expected. It might very well be that banks have decided to overbid this week's central bank deposit auction in order to place a smaller amount at next week's auction which will cover the beginning of the new reserve period as well. In any case, the liquidity conditions seem ample enough to prevent any spike in short term rates. The longer end looks to have found some support as well in the 2.60%-2.80% area for the 1M-3M segment.

### EUR/RON forecasts (eop)

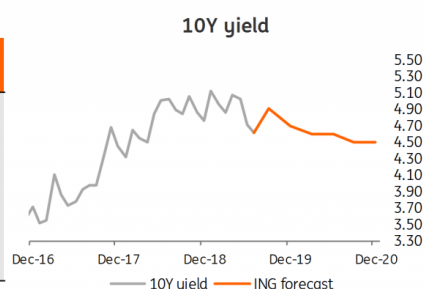
	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.77	4.80	4.82	4.85	4.87
FX Forward	4.76	4.81	4.85	4.88	4.93

### Market radar

	Spot	1D	%Ch	
			1W	1M
EUR/RON	4.7290	0.0	0.0	0.2
EUR/PLN	4.2552	-0.1	-0.4	-0.2
EUR/HUF	325.81	0.3	0.0	1.1
EUR/CZK	25.580	-0.1	0.1	0.1
RO 5Y CDS*	88.3	-100.0	-0.7	-0.6
ROBOR O/N*	2.19	-6	-4	#N/A
ROBOR 3M*	3.13	-2	-5	#N/A

\*change in basis points; \*\*US\$ (data as at 05:20 GMT)

Source: Reuters, ING estimates



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