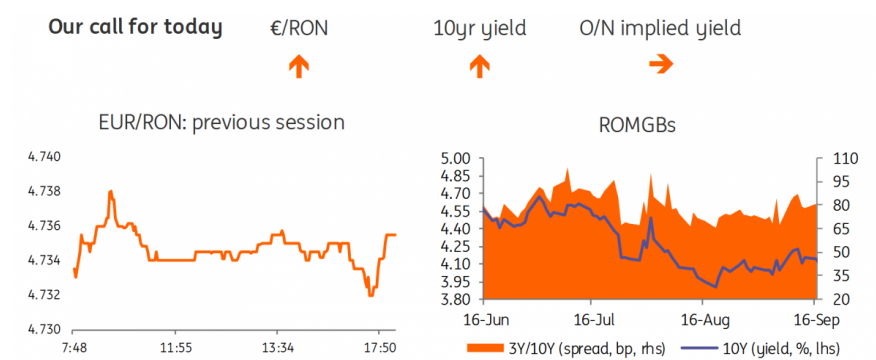


Briefing Romania

RON stable on increased turnover



Source: Reuters

EUR/**RON**

The above-average turnover on the FX market didn't bring increased volatility for the EUR/**RON**. The pair swung around 4.7340 for most of the day and we don't expect much to change today. Hence, the 4.7300-4.7400 range looks safe for now.

Government bonds

The mild selling bias in Romanian government bonds continued into yesterday's trading session with yields shifting two to three basis points higher. The primary market reflected a cautious stance as well. The RON500 million Sep-2023 auction was much in line with what we've expected; moderate demand (bid-to-cover 1.05x) and the target amount allocated towards the secondary market bid side of 3.76% average and 3.80% maximum yields. That's a relatively long tail but fits the context.

Money market

Cash rates returned towards the 2.50% key rate after the NBR's one week deposit auction drained RON13.3 billion from the market. In line with regional developments as well, the longer tenors were slightly better paid thus inching five to six basis points higher. Since we are heading towards the end of the minimum reserve period, we expect cash rates to slide lower gradually.

EUR/RON forecasts (eop)

	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.75	4.80	4.82	4.82	4.84
FX Forward	4.77	4.81	4.85	4.89	4.94

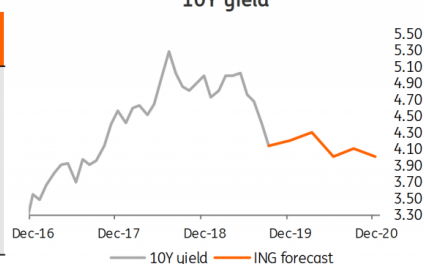
Market radar

	%Ch			
	Spot	1D	1W	1M
EUR/RON	4.7335	0.0	0.1	0.1
EUR/PLN	4.3313	0.2	-0.1	-0.1
EUR/HUF	332.31	0.0	0.7	2.4
EUR/CZK	25.855	0.0	0.0	0.5
RO 5Y CDS*	87.3	0.2	-0.4	-1.8
ROBOR O/N*	2.39	23	-17	-1
ROBOR 3M*	3.06	1	1	-3

*change in basis points; **US\$ (data as at 06:32 GMT)

Source: Reuters, ING estimates

10Y yield



Author

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central

Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.