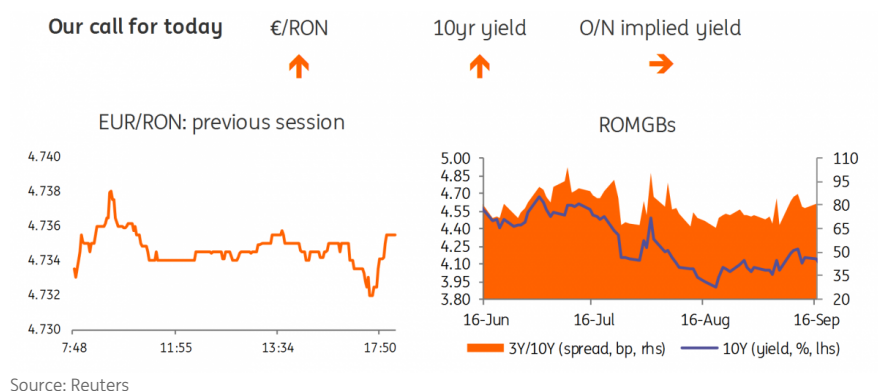


Briefing Romania

RON stable on increased turnover



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)

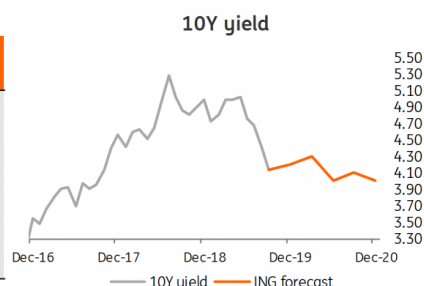
	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.75	4.80	4.82	4.82	4.84
FX Forward	4.77	4.81	4.85	4.89	4.94

Market radar

	Spot	1D	%Ch 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



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