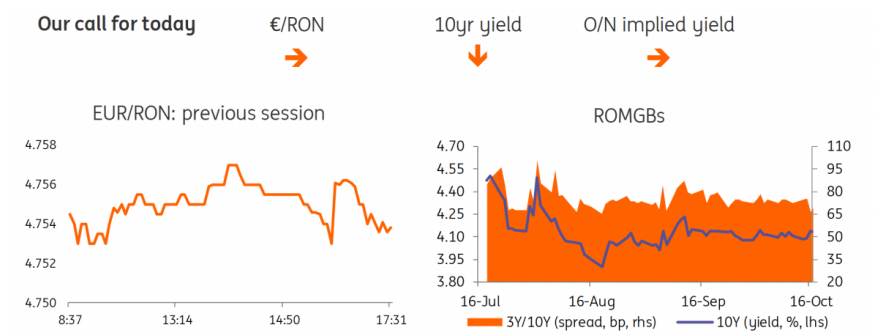


Briefing Romania

New 15Y bond issued



Source: Reuters

EUR/**RON**

The EUR/**RON** again delivered very stable range trading, somewhat against the regional mild appreciation trend. For today we see the pair trading again between 4.7500 and 4.7600.

Government bonds

Regarding fixed income, the market closed better bid across the curve. The two auctions have been

more successful than anticipated, in particular, the new 15Y bond being issued at an average yield of 4.75% for RON150 million versus the RON100 million initial target. Total demand was RON320 million and the average of rejected bids stood at 4.90%. That suggests some anxious buyer(s) behind. The 1Y auction came quite good as well, at 3.13% average for the RON200million target.

Money market

Funding rates hit the 1.50% deposit facility yesterday, where they should remain until Monday. Otherwise, not much interest along the curve which adjusted 1-2 basis points higher likely due to the new reserve start.

EUR/RON forecasts (eop)

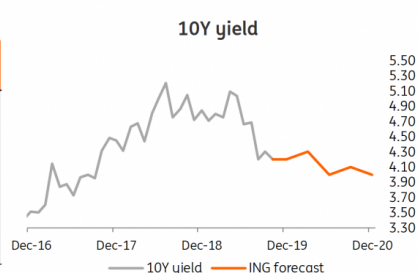
| | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 |
|--------------|------|------|------|------|------|
| ING forecast | 4.80 | 4.82 | 4.82 | 4.84 | 4.85 |
| FX Forward | 4.77 | 4.82 | 4.86 | 4.90 | 4.95 |

Market radar

| | Spot | 1D | %Ch | |
|------------|--------|------|------|------|
| | | | 1W | 1M |
| EUR/RON | 4.7526 | 0.0 | -0.2 | 0.2 |
| EUR/PLN | 4.2800 | 0.1 | -0.7 | -1.4 |
| EUR/HUF | 330.70 | -0.4 | -0.4 | -0.7 |
| EUR/CZK | 25.712 | -0.2 | -0.4 | -0.6 |
| RO 5Y CDS* | 90.7 | 0.0 | -0.3 | 3.4 |
| ROBOR O/N* | 1.84 | -50 | -64 | 8 |
| ROBOR 3M* | 3.03 | -1 | -3 | -2 |

*change in basis points; **US\$ (data as at 06:30 GMT)

Source: Reuters, ING estimates



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