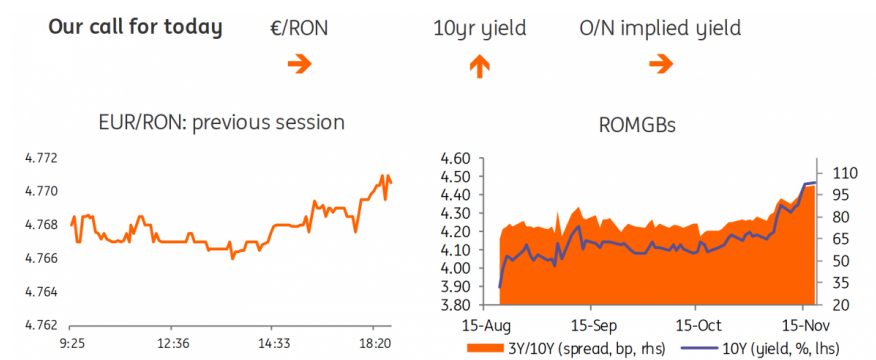


Briefing Romania

EUR/RON testing 4.7700



Source: Refinitiv Datastream

EUR/RON

The EUR/RON once again tested the 4.7700 level, which remains a strong resistance these days. Shifting higher remains a matter of time in our view but for now 4.7700 should hold.

Government bonds

Today will be a good occasion to see if the recent sell-off in Romanian government bonds has driven yields to attractive enough levels. The Ministry of Finance auctions RON500 million in June-2024, a tenor usually in demand from local players. Should MinFin want to pay up towards the 4.10% area, we believe it could upsize the target amount around these levels. On Friday, the ROMGB yield curve was little changed after the previous day's sell-off.

Money market

Cash is becoming slightly more expensive these days and we should see diminished interest for the central bank's deposit taking auction today, despite relatively favourable settlement dates. A prudent stance from local banks could lead to carry inching towards the deposit facility in the last days of the reserve period.

EUR/RON forecasts (eop)

	4Q19	1Q20	2Q20	3Q20	4Q20
ING forecast	4.80	4.82	4.82	4.84	4.85
FX Forward	4.78	4.82	4.86	4.90	4.95

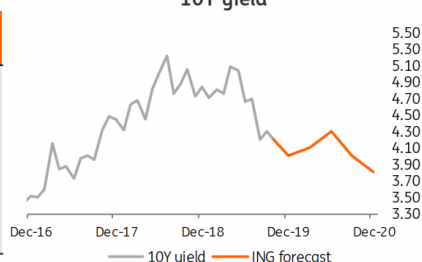
Market radar

	Spot	1D	%Ch	
			1W	1M
EUR/RON	4.7705	0.0	0.1	0.4
EUR/PLN	4.2783	-0.2	0.3	-0.2
EUR/HUF	334.73	0.2	0.4	1.1
EUR/CZK	25.579	0.1	0.4	-0.5
RO 5Y CDS*	90.0	-0.1	-0.2	-0.7
ROBOR O/N*	2.60	8	12	76
ROBOR 3M*	2.97	0	0	-6

*change in basis points; **US\$ (data as at 06:29 GMT)

Source: Refinitiv Datastream, ING estimates

10Y yield



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