

Snap | 19 August 2019

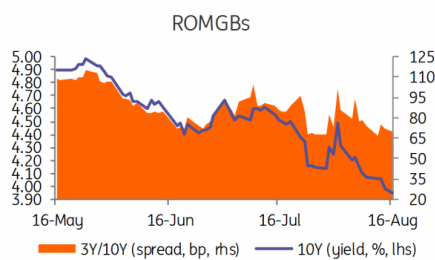
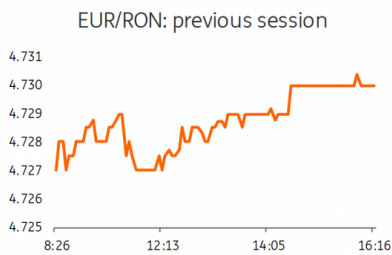
ROMANIA

Briefing Romania

RON600 million up for sale in Aug-2022 auction



Our call for today €/RON 10yr yield O/N implied yield
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Source: Reuters

EUR/RON

EUR/RON remained trapped in a fairly narrow range on Friday as it rebounded from 4.7200 but couldn't break above 4.7300. With no major data on the calendar, we expect the pair to hover around 4.7300.

Government bonds

The Romanian government bond yield curve glided a few basis points lower in a bull flattening move. Today the Ministry of Finance plans to sell RON600 million in Aug-2022 bonds. The tenor is usually in higher demand from local banks. Given no upside of the target amount, we expect an average allocation around 3.35%.

Money market

As we approach the end of the minimum reserve period, cash rates dipped below 2.00%. We expect the central bank to mop up the surplus liquidity today, but even so, the front end should remain below the key rate for the rest of the week.

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