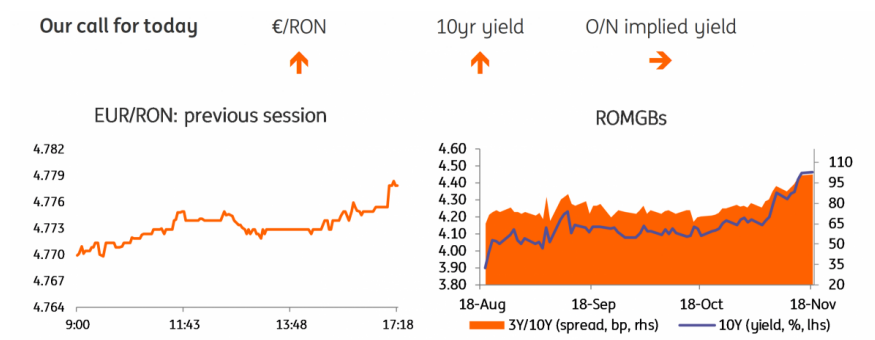


# Briefing Romania

EUR/RON tests higher



## EUR/RON

Somewhat earlier than we expected, the EUR/RON broke above 4.7700 yesterday, on average turnover. Thus, the pair printed a new all-time high fixing rate, though this didn't seem to stir the market too much. For today, we could see a consolidation within the 4.7700-4.7800 range. We maintain our already long standing forecast of 4.80 for year-end.

## Government bonds

In an otherwise dull market, the RON500 million June-2024 auction made quite an impression, coming out with a 2.9x bid-to-cover ratio and 4.09/4.10% average and maximum yields. The Ministry of Finance upsized the allocated amount to RON858 million. Overall, a very good auction with significant and clustered demand. Otherwise, the ROMGBs yield curve was little changed.

## Money market

As expected, there was diminished interest for the central bank's deposit auction, with only RON2.25 billion being placed by 14 banks, versus almost double that amount a week ago. As we are in the last days of the reserve period, not much is likely to happen with cash rates. If anything, they could inch towards the deposit facility, though banks look quite prudent these days. In longer tenors, some bids started to appear which pushed higher the already fragile offers. Hence, we are again above 3.00% in all tenors beyond 1M. Given the upside pressure on FX, we could see more paying interest in FX swaps.

### 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

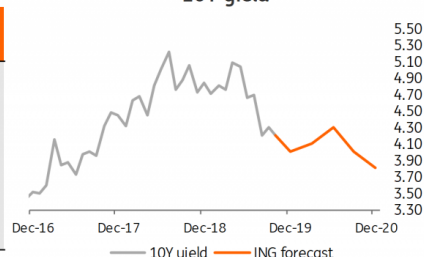
### Market radar

	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



## Author

### Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

[ciprian.dascalu@ing.com](mailto:ciprian.dascalu@ing.com)

### Valentin Tataru

Chief Economist, Romania

[valentin.tataru@ing.com](mailto: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 [www.ing.com](http://www.ing.com).