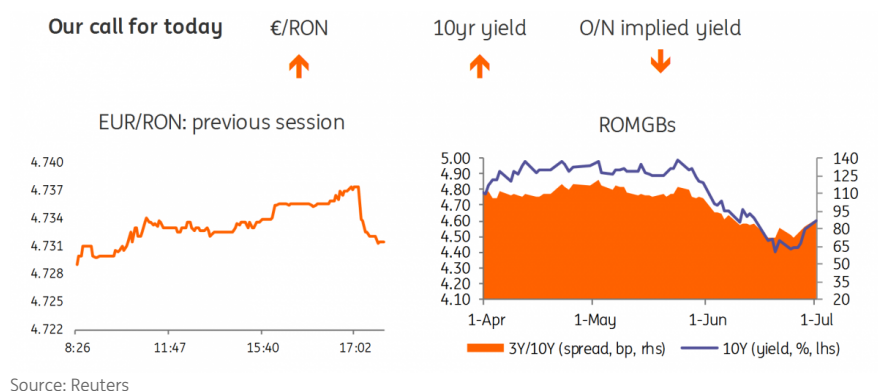


# Briefing Romania

## A wavering start to the July auctions



## EUR/RON

Slowly but steadily the EUR/RON seems to be departing from the 4.7200 support area, trading more around 4.7300 with a general upside bias. We shouldn't see any major developments over the next couple of days. The new NBR Board will be appointed on 3 July and the key rate decision is due on 4 July (this will still be taken by the current Board whose term ends in October 2019).

## Government bonds

The RON 500 million 10Y bond auction was a bit on the weaker side yesterday but we believe it was almost as good as it could have been given the (predominantly) local) circumstances. Total demand stood at RON673 million out of which the 500 million target was allocated at 4.63% average and 4.69% maximum yields, much in line with our expectations. On the secondary market, the curve traded defensively, shifting 3-4 basis points higher.

## Money market

Fifteen banks have placed RON3.39 billion at yesterday's one week deposit auction organised by the central bank. There is likely more in the system, but banks probably prefer to be on the safe side and keep some surpluses which – in the worst case – could be parked at next week's auction.

### EUR/RON forecasts (eop)

	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.77	4.85	4.85	4.85	4.87
FX Forward	4.78	4.83	4.88	4.91	4.96

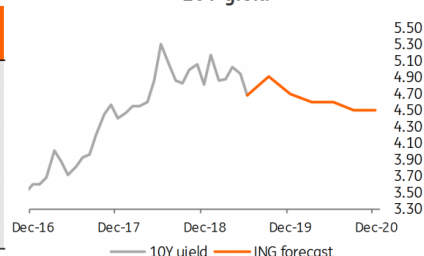
### Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7326	0.0	0.0	-0.4
EUR/PLN	4.2410	-0.2	-0.3	-1.1
EUR/HUF	322.93	-0.2	-0.4	-0.6
EUR/CZK	25.432	0.0	-0.6	-1.6
RO 5Y CDS*	89.6	0.1	2.1	-0.3
ROBOR O/N*	2.58	-3	90	-23
ROBOR 3M*	3.23	0	0	-2

\*change in basis points; \*\*US\$ (data as at 06:12 GMT)

Source: Reuters, ING estimates

### 10Y yield



## Author

### Valentin Tataru

Chief Economist, Romania

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

### Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

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