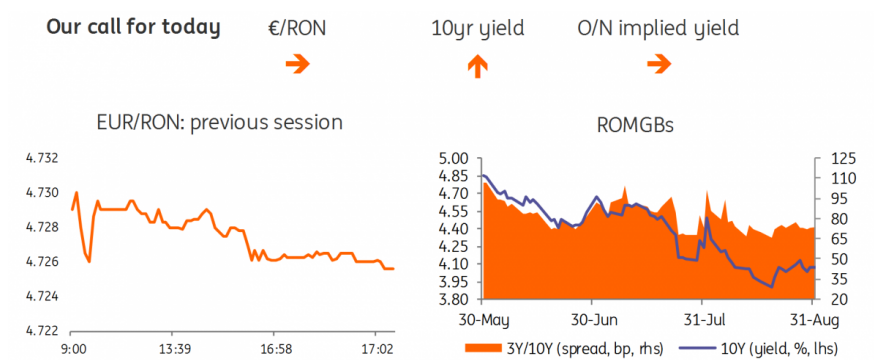


# Briefing Romania

S&P affirmed Romania's rating at 'BBB-' with a stable outlook



Source: Reuters

## EUR/RON

The Romanian leu continued to slightly outperform its regional peers on Friday, trading in the 4.7250-4.7300 range. The week ahead looks less eventful for the local currency which should trade between 4.7200 and 4.7400 against the euro.

Speaking of FX stability, on Friday the S&P affirmed Romania's rating at 'BBB-' with a stable

outlook. Among its main assumptions for the base-line scenario, the agency envisages “real exchange rates remaining relatively firm”. This is in line with our view of a controlled depreciation of the local currency, but not exceeding the inflation differential between Romania and its main trading partners.

## Government bonds

Romanian government bonds recoupled with their regional peers to some extent, inching 4-5 basis points higher at the longer end. The September auctions will start this Thursday, leaving a few days for market players to position.

## Money market

We should see a higher interest from local players at today’s NBR deposit auction as front rates declined towards the 2.50% key rate on Friday. This will likely keep cash rates around 2.50% in the days to come.

EUR/RON forecasts (eop)

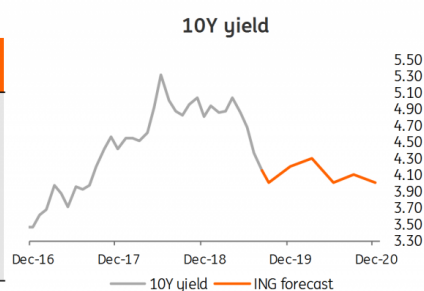
	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.77	4.80	4.82	4.85	4.87
FX Forward	4.76	4.80	4.85	4.89	4.93

Market radar

	Spot	1D	%Ch	
			1W	1M
EUR/RON	4.7255	0.1	0.1	-0.2
EUR/PLN	4.3710	-0.2	-0.2	1.4
EUR/HUF	331.00	0.0	0.5	1.1
EUR/CZK	25.925	0.2	0.1	0.5
RO 5Y CDS*	87.5	0.3	-1.1	-1.5
ROBOR O/N*	2.77	-7	-76	16
ROBOR 3M*	3.05	0	-2	1

\*change in basis points; \*\*US\$ (data as at 06:22 GMT)

Source: Reuters, ING estimates



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