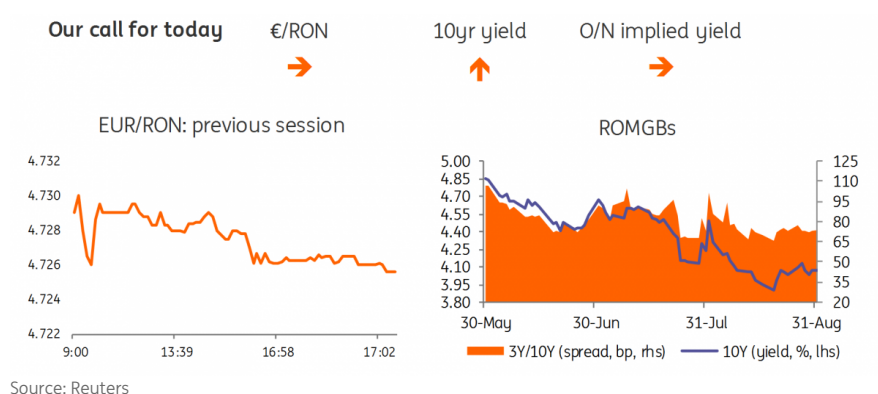


Briefing Romania

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



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

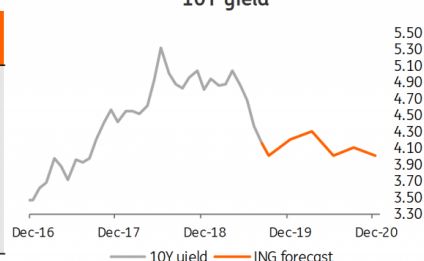
Market radar

	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

10Y yield



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