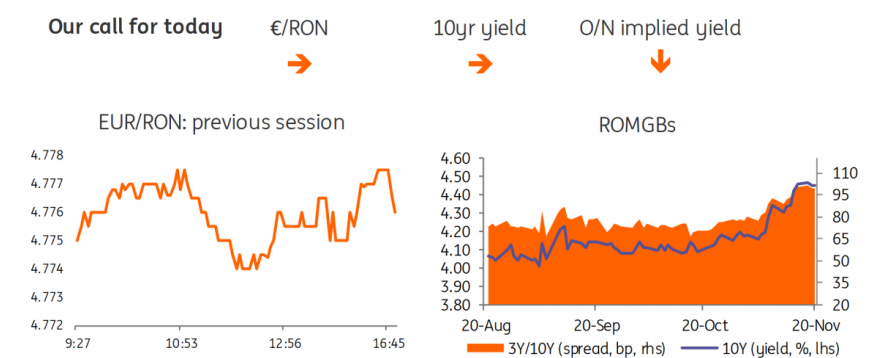


Briefing Romania

EUR/RON remains stable at current levels



EUR/RON

Even though the EUR/RON is getting close to uncharted territory, the market remained impressively stable yesterday and traded well within our 4.7700-4.7800 expected range. With regional currencies appreciating, we could see some respite in the upward pressure on the pair.

Government bonds

The fixed income market remains very quiet these days, with a bit of repricing here and there along the curve but no meaningful shift in yields. 10Y yields traded slightly below 4.50%, a level from which they have rallied a couple of times this year.

Money market

As expected, paying interest in FX swaps prevailed given the FX pressures, pushing the 3M-1Y curve some 5-10 basis points higher to around 3.25%. This paying interest could continue a bit given the diminished but still present FX pressure and a likely increased appetite for funding from the Ministry of Finance.

EUR/RON forecasts (eop)

	4Q19	1Q20	2Q20	3Q20	4Q20
ING forecast	4.80	4.82	4.82	4.84	4.85
FX Forward	4.80	4.84	4.88	4.91	4.97

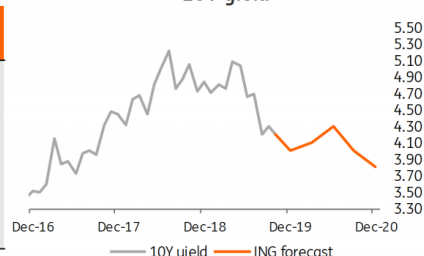
Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7745	0.0	0.2	0.4
EUR/PLN	4.2893	-0.2	0.2	0.3
EUR/HUF	332.78	-0.8	-0.6	0.9
EUR/CZK	25.547	-0.1	0.0	-0.1
RO 5Y CDS*	90.2	0.3	-0.1	-0.6
ROBOR O/N*	2.58	-3	7	81
ROBOR 3M*	2.98	1	1	-5

*change in basis points; **US\$ (data as at 06:35 GMT)

Source: Refinitiv Datastream, ING estimates

10Y yield



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