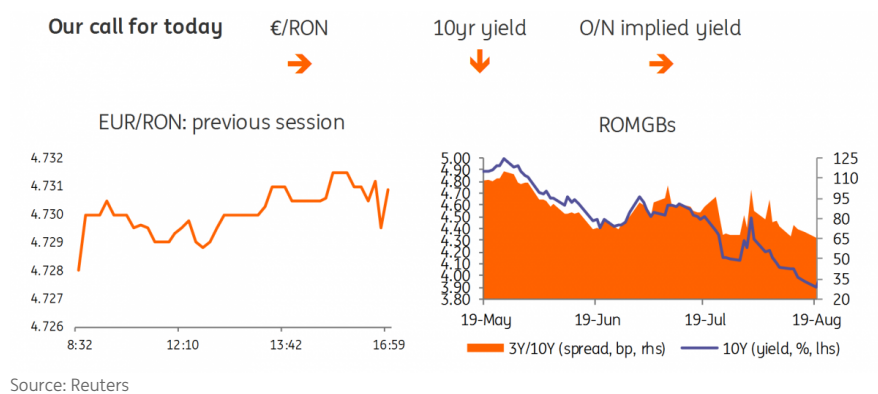


## Briefing Romania

Still ample liquidity conditions



### EUR/RON

In line with its regional peers, the Romanian leu lost a bit of ground yesterday and traded just above 4.7300, though the move was marginal by any standard. We expect same range trading around 4.7300 for today as well.

## Government bonds

Rather unexpectedly, the bond market made a slight upward correction yesterday as yields shifted 5-6 basis points higher. The Aug-2022 auction came in almost as strong as expected, with RON675 million (versus 600 million target) allocated at 3.38% average and 3.39% maximum yields.

## Money market

The RON11.4 billion drained by the central bank yesterday at its one week deposit auction suggests the system benefits from ample liquidity conditions. We might see a short lived spike in cash rates should the bulk of the monthly budget payments be made on 23 August (as 25 – which is the usual date – falls on Sunday) but we wouldn't expect anything spectacular on that.

### EUR/RON forecasts (eop)

	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.77	4.80	4.82	4.85	4.87
FX Forward	4.77	4.81	4.85	4.89	4.93

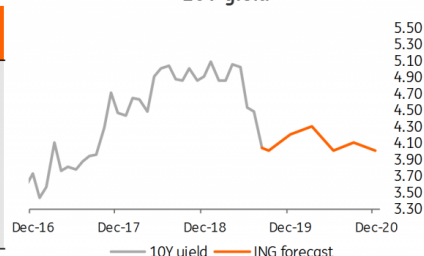
### Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7295	0.1	0.1	0.1
EUR/PLN	4.3625	0.8	0.8	2.6
EUR/HUF	326.20	0.6	0.6	0.3
EUR/CZK	25.794	0.2	-0.2	1.0
RO 5Y CDS*	88.6	-0.5	0.9	0.1
ROBOR O/N*	2.35	-5	-23	64
ROBOR 3M*	3.09	0	0	-2

\*change in basis points; \*\*US\$ (data as at 06:21 GMT)

Source: Reuters, ING estimates

### 10Y yield



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