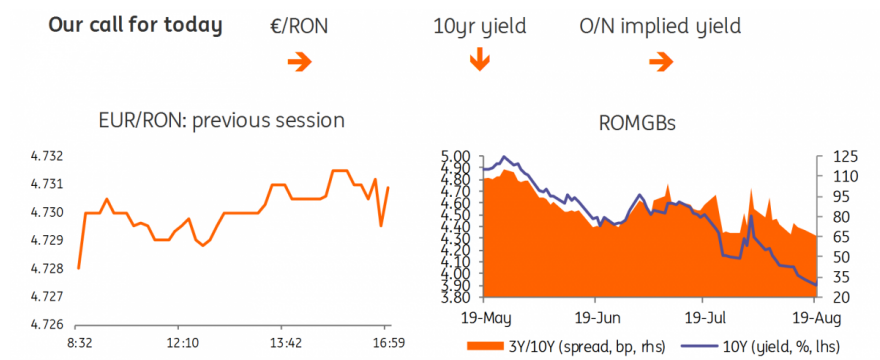


# Briefing Romania

Still ample liquidity conditions



Source: Reuters

## 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 |

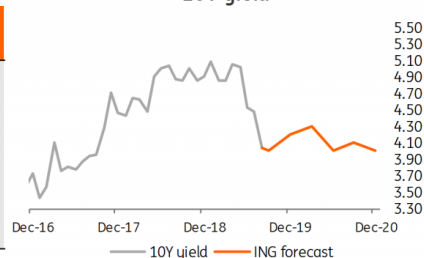
### Market radar

|            | 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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