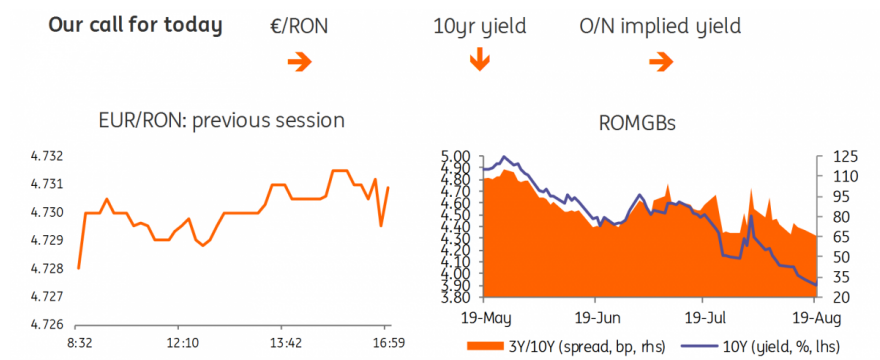


Briefing Romania

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)

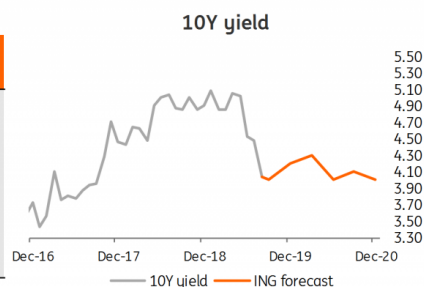
	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.77	4.80	4.82	4.85	4.87
FX Forward	4.77	4.81	4.85	4.89	4.93

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



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