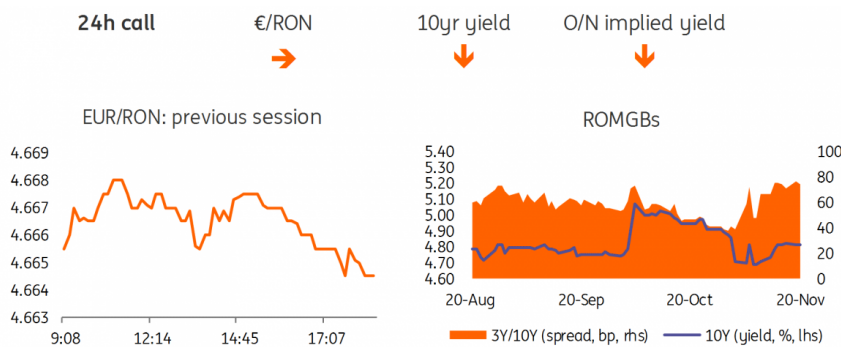


Briefing Romania

Upside pressure in the money market



➔ EUR/RON

The EUR/RON remains in a rather listless state these days, trading narrowly in the same 4.6600-4.6700 range on low turnover. The pick-up in money market yields is likely capping the upside pressures while the downside looks fairly limited by fundamentals pointing towards a weaker leu. Hence, more range trading.

⬇️ Government bonds

In ROMGBs we had a quiet day with yields remaining broadly flat compared to the previous day. As [already mentioned](#), some noise around the government reshuffle could still persist, but for now,

the market seems muted.

Money Market

The upside pressure on money market yields continues. The beginning of the next reserve period trades well above the Lombard rate as the market seems to be bracing for no repo on Monday 26 November. The turn of the year looks under pressure as well as the 1M-2M curve has shifted some 20 basis points higher towards the 3.55-3.65% area. Otherwise, cash rates for the few days left on the current reserve period are well anchored around the key rate.

EUR/RON forecasts and forwards

	4Q18	1Q19	2Q19	3Q19	4Q19
ING forecast	4.70	4.67	4.65	4.70	4.75
Forward rate	4.68	4.73	4.78	4.83	4.91

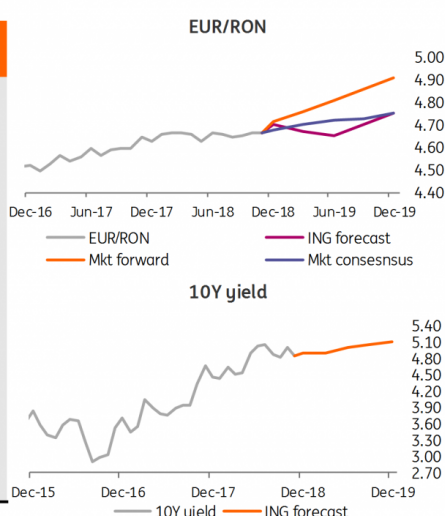
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.6642	-0.1	0.1	0.0
EUR/PLN	4.3053	-0.4	0.3	0.3
EUR/HUF	32124	0.1	-0.5	-0.4
EUR/CZK	26.014	0.0	0.2	0.7
RO 5Y CDS*	99.4	-0.1	15	15
ROBOR O/N*	2.69	10.0	10.0	98.0
ROBOR 3M*	3.24	10	5.0	-6.0
DAX	1066.4	-18	-3.2	-3.6
S&P 500	2641.89	-16	-2.4	-3.6
DE 10Y*	0.37	-2.6	-4.2	-8.7
US 10Y*	3.08	-11	-6.9	-11.9
Gold (US\$)**	1232	-0.2	18	0.1
Brent (US\$)**	63.3	-6.4	-3.3	-20.3

*change in basis points; **US\$ (data as at 06:28 GMT)

Source: Reuters, Bloomberg, ING



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