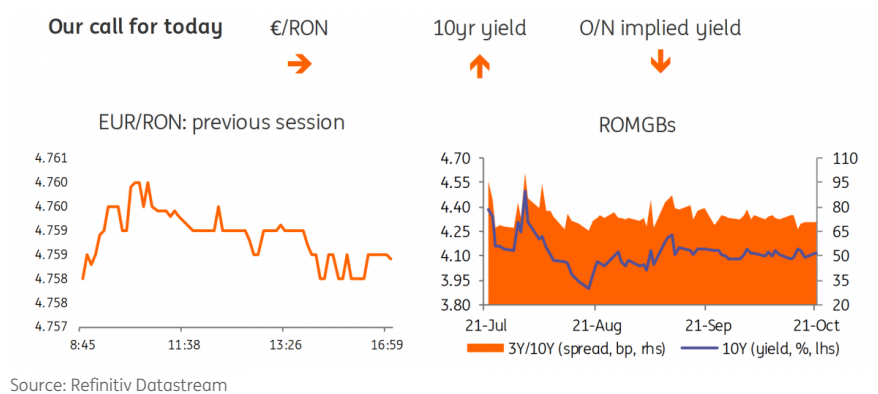


Briefing Romania

The EUR/RON is slowly consolidating



EUR/RON

The EUR/RON is slowly consolidating its way towards 4.7600. This is where we have seen above-average volumes being traded last month and the leu's depreciation was stopped. As of now, we don't see a trigger for a meaningful test above it, but the general trend remains to the upside.

Government bonds

The fixed income market remains fairly directionless, if anything slightly better offered across the curve. The June-2024 auction printed towards the high end of expectations, at 3.89% average allocation. The MinFin upsize from RON 500 million to RON 601million, hence covering most of the RON 739million total demand.

Money market

The central bank drained RON 5.7billion from 17 participants in its one week deposit auction, quite a higher amount than we were expecting. Hence, we could have a short lived squeeze on cash rates during the upcoming budget payments period.

EUR/RON forecasts (eop)

	4Q19	1Q20	2Q20	3Q20	4Q20
ING forecast	4.80	4.82	4.82	4.84	4.85
FX Forward	4.78	4.82	4.86	4.91	4.95

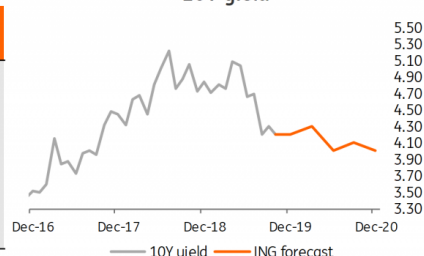
Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7585	-0.1	0.1	0.1
EUR/PLN	4.2768	-0.1	-0.4	-2.3
EUR/HUF	329.88	-0.4	-0.5	-1.2
EUR/CZK	25.572	-0.2	-0.9	-1.1
RO 5Y CDS*	90.8	0.0	0.1	-2.3
ROBOR O/N*	1.77	2	-74	4
ROBOR 3M*	3.03	0	-2	-3

*change in basis points; **US\$ (data as at 06:44 GMT)

Source: Refinitiv Datastream, ING estimates

10Y yield



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