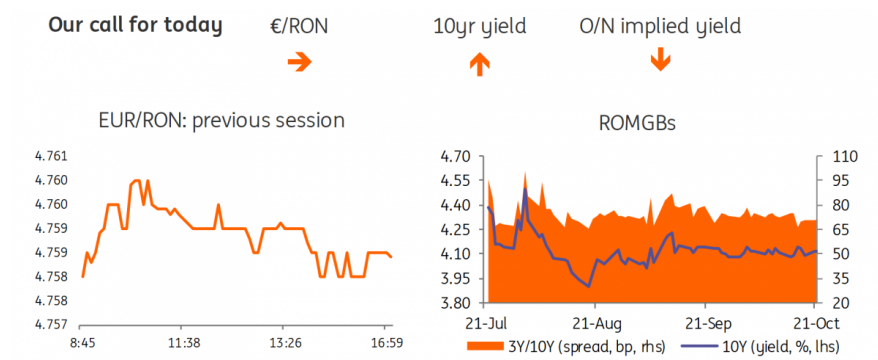


Briefing Romania

The EUR/RON is slowly consolidating



Source: Refinitiv Datastream

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 upzised 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 |

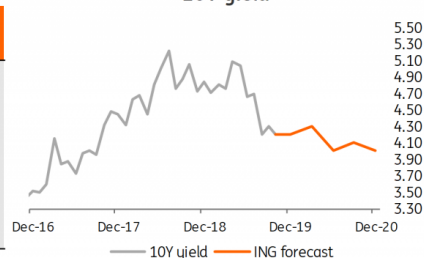
Market radar

| | 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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