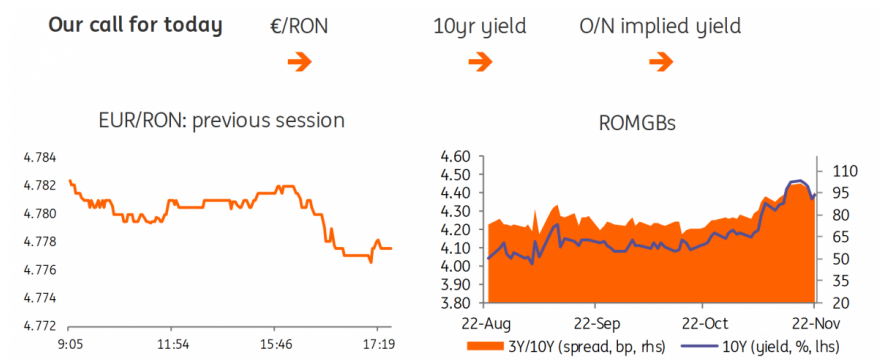


Briefing Romania

EUR/RON consolidating close to 4.7800



Source: Refinitiv Datastream

EUR/RON

The Romanian leu has consolidated at these higher levels. Thus, a new trading range is forming between 4.7650-4.7850. Over the weekend, we'll have the second round of presidential elections although we don't expect much impact on the market.

Government bonds

In line with our expectations, the two primary auctions have not enjoyed great demand, though good enough to cover the target. For the 1Y T bills the Ministry of Finance allocated RON200 million at 3.26% average and 3.30% maximum yields, largely in line with the FX swap market yields. The 15Y auction came in at 4.69% average and 4.72% maximum yields, for which the MinFin allocated RON249 million.

Money market

The last day of the minimum reserve period finds carry at the 1.50% deposit facility, with the rest of the curve above 3.00%. We expect carry rates to stay above 3.00% for at least the beginning of the next reserve period.

EUR/RON forecasts (eop)

	4Q19	1Q20	2Q20	3Q20	4Q20
ING forecast	4.80	4.82	4.82	4.84	4.85
FX Forward	4.80	4.84	4.88	4.91	4.97

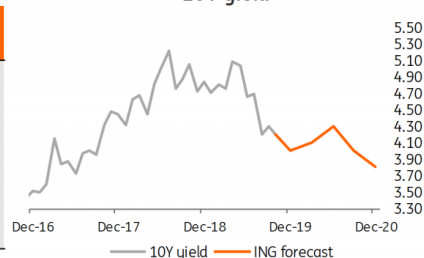
Market radar

	Spot	1D	%Ch	
			1W	1M
EUR/RON	4.7772	-0.1	0.2	0.5
EUR/PLN	4.2983	0.1	0.3	0.6
EUR/HUF	334.60	0.2	0.1	2.0
EUR/CZK	25.520	0.1	-0.3	-0.3
RO 5Y CDS*	90.3	0.1	0.2	-0.2
ROBOR O/N*	2.05	-49	-47	36
ROBOR 3M*	2.99	0	2	-4

*change in basis points; **US\$ (data as at 06:34 GMT)

Source: Refinitiv Datastream, ING estimates

10Y yield



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