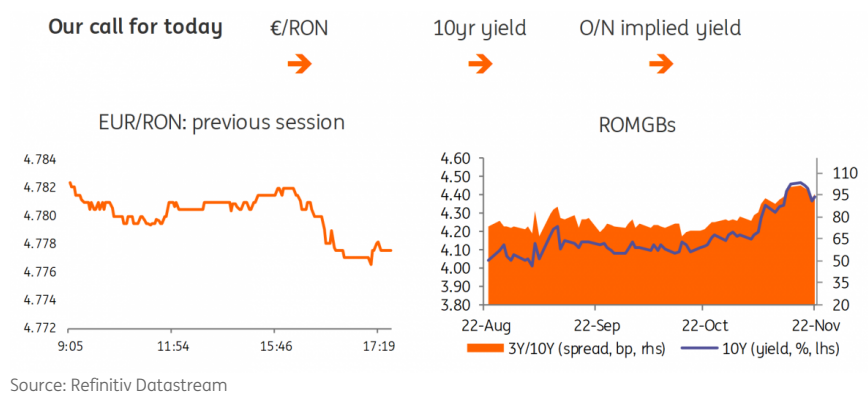


## Briefing Romania

EUR/RON consolidating close to 4.7800



### 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 |

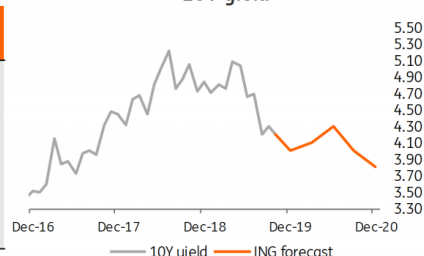
Market radar

|            | Spot   | 1D   | %Ch<br>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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