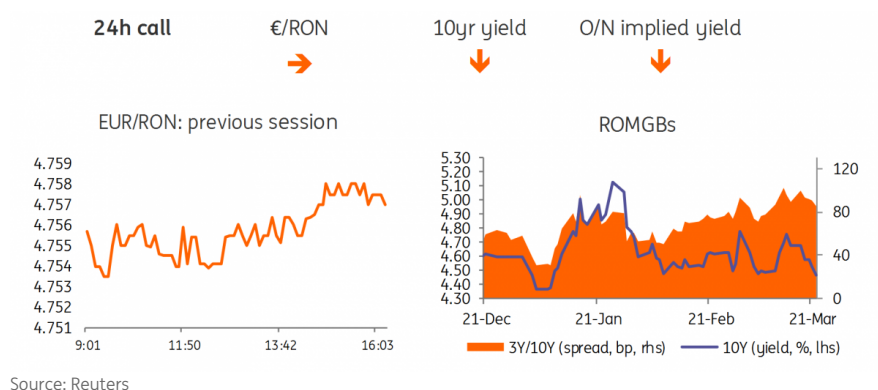


Briefing Romania

Strong 1-year T-bills auction



➔ EUR/RON

Range trading and below average turnover for the EUR/RON seems to be the norm these days. The pair traded again within a narrow 40 pips, closing around 4.7570. With no market moving data on today's calendar, we expect the same 4.7500-4.7600 trading range to hold.

↓ Government bonds

The RON400 million 1Y T-bills auction came in much stronger than expected. The Ministry of Finance allocated the planned amount at 3.01% average and 3.09% maximum yields, which is kind of a long tail but again yields printed below expectations. The bid-to-cover ratio was also

strong at 1.83x. Otherwise, the secondary market was orderly with a downside bias, yields closing 4-5 basis points lower across the curve.

Money Market

The current reserve maintenance period ends today with cash rates at the deposit facility. The bulk of the monthly budget payments is due on 25 March and the market seems to be pricing strained liquidity conditions for a longer period as all tenors longer than overnight trade above the Lombard rate.

EUR/RON forecasts (eop)

	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.77	4.78	4.85	4.87	4.88
FX Forward	4.81	4.85	4.90	4.95	4.98

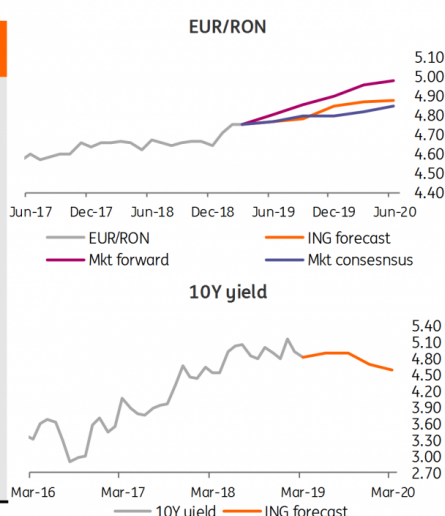
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7450	0.1	-0.4	-0.2
EUR/PLN	4.2849	0.1	-0.4	-1.0
EUR/HUF	314.45	0.3	0.0	-0.9
EUR/CZK	25.652	0.1	0.0	0.0
RO 5Y CDS*	106.2	15	4.4	-0.6
ROBOR O/N*	176	2.0	6.0	-107.0
ROBOR 3M*	3.14	10	8.0	-110
DAX	1650	-0.5	0.0	16
S&P 500	2854.88	1.1	2.2	3.1
DE 10Y*	0.05	-4.2	-3.9	-5.4
US 10Y*	2.53	0.2	-10.2	-12.4
Gold (US\$)**	1310.9	-0.2	1.1	-2.1
Brent (US\$)**	67.9	-0.9	10	12

*change in basis points; **US\$ (data as at 05:45 GMT)

Source: Reuters, Bloomberg, ING



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