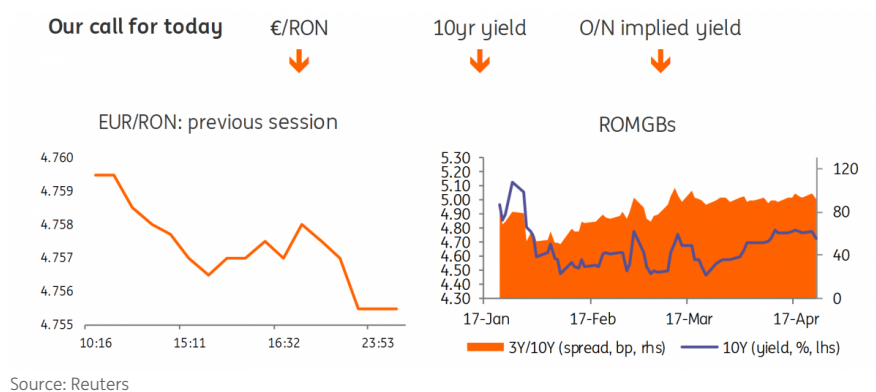


Strong bond auction



The EUR/RON traded quietly just below 4.7600 on low turnover. We expect a test lower today as exporters might sell hard currency to cover quarterly payments to the state budget.

Romanian government bonds saw better bids yesterday, especially at the front-end, as local players were looking to roll over the April 29 bond redemption. The Ministry of Finance upsized its Oct-2021 auction from RON500 million to RON695 million on robust and clustered demand with a bid-to-cover ratio at 1.8x and average/cut-off yields at 3.80%/3.83%.

Money market

Implied funding rates edged a bit lower to 3.30% yesterday as we near the end of the reserve maintenance period. With the prospect of large payments to the state budget ahead of a RON8.8 billion bond redemption, short-term implied yields should see upward pressure into the new reserve maintenance period starting tomorrow.

EUR/RON forecasts (eop)

	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.77	4.78	4.85	4.87	4.88
FX Forward	4.80	4.86	4.91	4.96	4.99

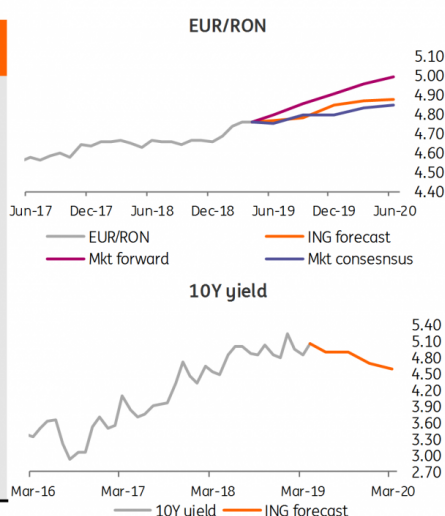
Source: Reuters, Bloomberg, ING

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7555	0.0	-0.1	0.1
EUR/PLN	4.2831	0.1	0.2	-0.4
EUR/HUF	320.14	0.1	0.0	1.0
EUR/CZK	25.709	0.1	0.3	-0.2
RO 5Y CDS*	106.3	0.0	-12	0.1
ROBOR O/N*	3.45	-110	-110	164.0
ROBOR 3M*	3.40	10	2.0	24.0
DAX	12153.1	0.4	2.4	3.4
S&P 500	2908.0	0.1	0.6	4.4
DE 10Y**	0.07	2.0	10.6	-2.9
US 10Y**	2.58	-0.2	9.9	-3.6
Gold (US\$)**	12718	-0.2	-2.8	-2.6
Brent (US\$)**	716	-0.1	-0.2	6.2

*change in basis points; **US\$ (data as at 06:21 GMT)

Source: Reuters, ING estimates



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