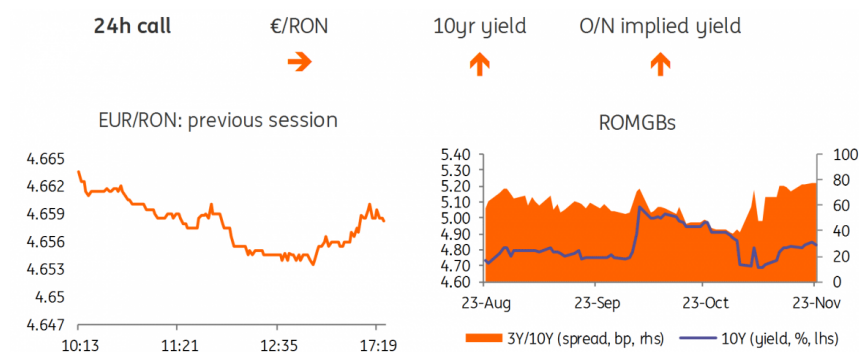


Briefing Romania

Carry on



Source: Reuters

➔ EUR/RON

The appreciation bias for the Romanian leu continued into yesterday's trading session as the EUR/RON closed below 4.6600 on above-average turnover. Being long RON likely looks appealing for some as funding rates seem to be entering another bumpy road for a few days, at least.

⬆️ Government bonds

The February 2025 auction met good demand yesterday, with a 2.20x bid-to-cover, though yield-wise it came out slightly above our call at 4.61% average and 4.63% maximum. The Ministry of Finance sold the planned RON300 million of debt without upsizing. The secondary market

continues to trade mixed, with no clear direction.

📈 Money Market

Cash rates continued their latest impressive performance, with the overnight rate closing the day at the same rate as the deposit facility. With some of the monthly budget payments due today and likely some on Monday, a few days of caution should follow. And of course, the central question remains: repo or no repo.

EUR/RON forecasts and forwards

	4Q18	1Q19	2Q19	3Q19	4Q19
ING forecast	4.70	4.67	4.65	4.70	4.75
Forward rate	4.68	4.73	4.78	4.83	4.90

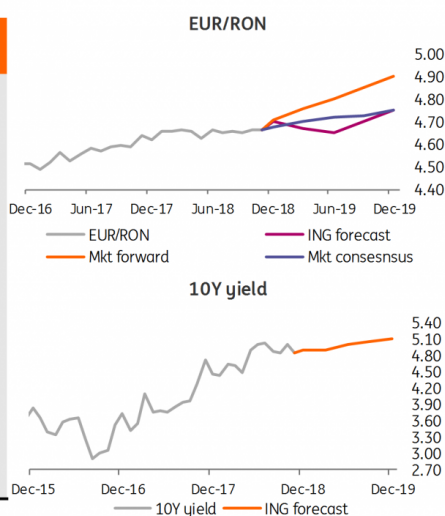
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.6580	-0.1	0.0	0.0
EUR/PLN	4.2921	-0.2	-0.1	-0.4
EUR/HUF	32115	-0.2	-0.2	-0.8
EUR/CZK	25.988	0.0	-0.1	0.5
RO 5Y CDS*	99.4	0.1	0.5	18
ROBOR O/N*	19	-87.0	-64.0	-62.0
ROBOR 3M*	3.24	-10	3.0	-110
DAX	1138.5	-0.9	-16	-0.1
S&P 500	0	0.3	-99.4	-99.4
DE 10Y*	0.37	-0.4	12	-19
US 10Y*	3.06	-306.1	-5.5	-6.1
Gold (US\$)**	1224.9	0.1	10	-0.7
Brent (US\$)**	62.0	-14	-7.0	-8.6

*change in basis points; **US\$ (data as at 06:13 GMT)

Source: Reuters, Bloomberg, ING



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