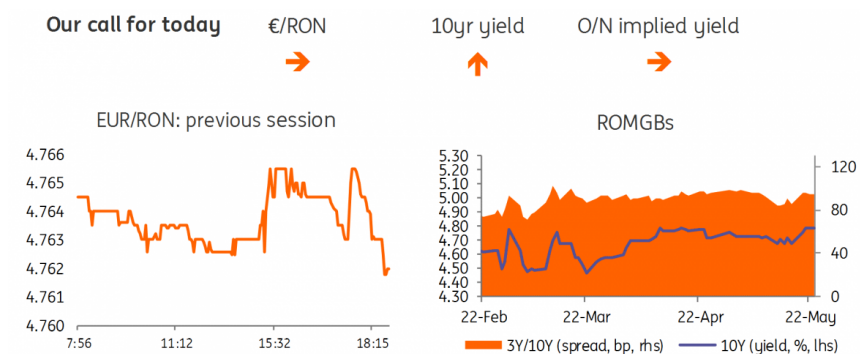


# Briefing Romania

RON300 million up for sale in Sep-2031



Source: Reuters

## ➔ EUR/RON

Despite somewhat heavier turnover, nothing seems to trouble the Romanian leu these days. The EUR/RON traded in the same 30-40 pips range yesterday, only briefly touching 4.7650 and returning to its comfort zone around 4.7620. We expect more of the same for today.

## ⬆ Government bonds

A sort of “zen” mood prevails in Romanian government bonds these days as the curve seems to be adjusting very gently higher, without much noise, or even trading. Today, the Ministry of Finance plans to sell RON300 million in September-2031 bonds, a quite illiquid ISIN on the secondary

market. The real end-user demand is the only one driving the price right now, hence the allocation could surprise to the downside in terms of yields if such demand shows up. Seeing it again at last month's average allocation of 5.21% would be quite a positive surprise though.

## ➔ Money market

Today is the last day of the reserve maintenance period, hence the front end implied yields have already started to adjust to the higher expected carry. The market however doesn't seem to anticipate a liquidity squeeze anytime soon, as all tenors covering the next reserve maintenance period are trading somewhere between 2.85% and 3.25%, which is quite reasonable we would say, given the hawkish central bank rhetoric.

EUR/RON forecasts (eop)

	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.77	4.78	4.85	4.87	4.88
FX Forward	4.78	4.84	4.89	4.94	4.98

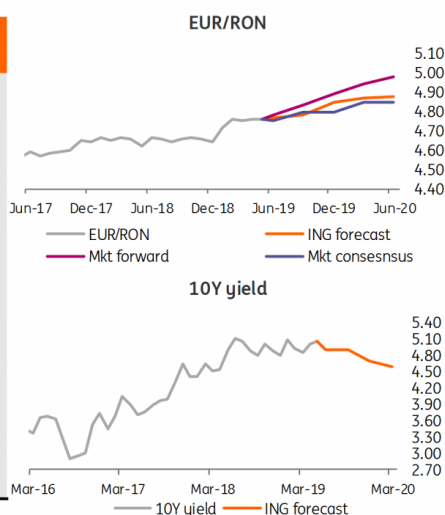
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7615	-0.1	0.0	0.1
EUR/PLN	4.3051	0.0	0.1	0.5
EUR/HUF	326.25	0.0	0.5	18
EUR/CZK	25.808	0.1	0.3	0.3
RO 5Y CDS*	99.6	0.0	1.1	-6.7
ROBOR O/N*	164	-6.0	-10.0	-48.0
ROBOR 3M*	3.28	0.0	0.0	-13.0
DAX	1268.7	0.2	0.9	-0.2
S&P 500	2856.3	-0.3	0.7	-2.1
DE 10Y*	-0.09	-2.0	0.5	-13.3
US 10Y*	2.38	-3.3	0.1	-10.0
Gold (US\$)**	1274.4	-0.1	-1.7	0.2
Brent (US\$)**	70.3	-1.6	-2.0	-4.9

\*change in basis points; \*\*US\$ (data as at 06:25 GMT)

Source: Reuters, Bloomberg, ING



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