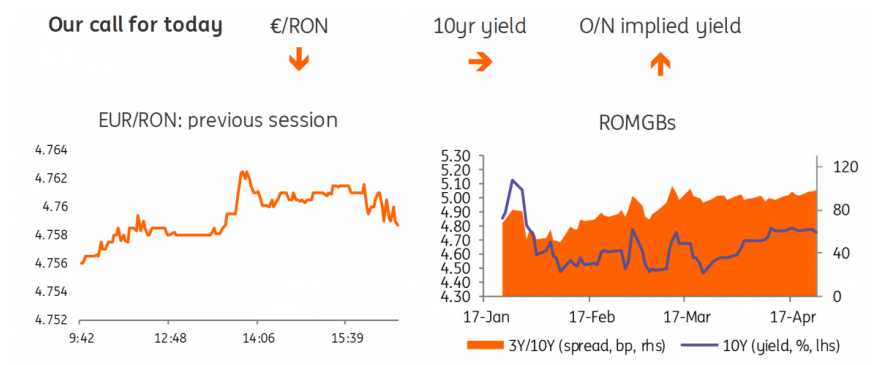


# Briefing Romania

## Funding squeeze



### ↓ EUR/RON

We saw sideways trading in EUR/RON, which closed near 4.7600 after a failed test lower towards 4.7550. The same scenario is expected today with exporters likely to continue to sell hard currency to cover quarterly payments to the state budget.

### → Government bonds

The government bond yield curve bull steepened as front-end buying continued ahead of a RON8.8 billion bond redemption on 29 April. Back-end yields closed little changed with 10-year yields at 4.94% mid.

## Money market

Cash rates ended the reserve maintenance period near the NBR deposit facility of 1.50%. Large payments to the state budget due 25 April and calendar effects due to holidays are pushing funding rates above the NBR credit facility of 3.50% at the start of the new reserve maintenance period.

### 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

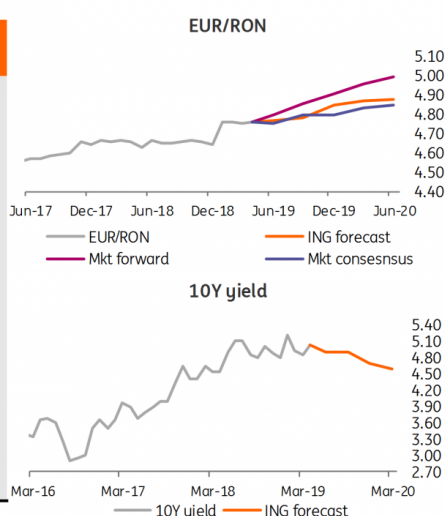
Source: Reuters, Bloomberg, ING

### Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7580	0.0	0.0	0.1
EUR/PLN	4.2856	0.1	0.3	-0.3
EUR/HUF	320.76	0.1	0.1	12
EUR/CZK	25.729	0.1	0.4	-0.1
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	12235.5	0.7	2.4	4.1
S&P 500	2933.7	0.1	15	3.2
DE 10Y**	0.09	0.9	9.1	0.6
US 10Y**	2.55	4.1	10.4	0.2
Gold (US\$)**	1270.2	-0.9	-14	-3.3
Brent (US\$)**	74.3	0.8	4.3	113

\*change in basis points; \*\*US\$ (data as at 06:08 GMT)

Source: Reuters, ING estimates



## Author

### Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

[ciprian.dascalu@ing.com](mailto:ciprian.dascalu@ing.com)

### Valentin Tataru

Chief Economist, Romania

[valentin.tataru@ing.com](mailto:valentin.tataru@ing.com)

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