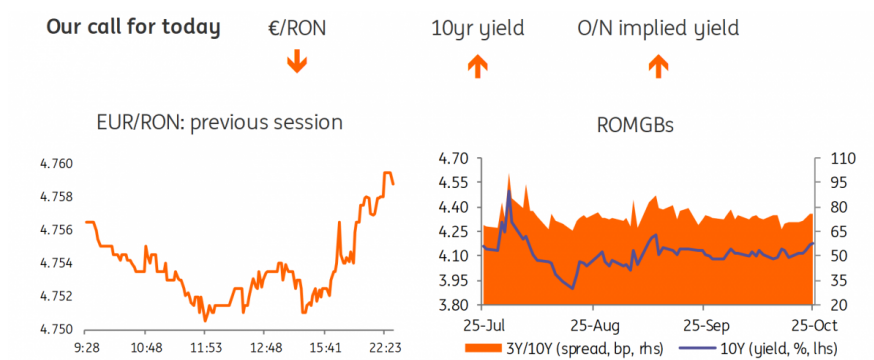


Briefing Romania

Decent 10-year bond auction result



Source: Reuters

↓ EUR/RON

The EUR/RON inched lower in the first part of the day yesterday testing 4.7500 on above average turnover and divergent from regional peer currency pairs. This suggest a commercial flow behind the move, as later in the day EUR/RON caught up with peers and closed just below 4.7600. We expect the same range for today, 4.7500-4.7600, with a downside bias as exporters are likely to sell hard currency to get RON for payments to the state budget, while carry is likely to remain

quite high.

↑ ROMGBs

ROMGBs yield curve steepened yesterday after the 10Y bond auction came in at the higher end of expectations. MinFin sold RON600m Feb-2029 bonds versus RON500m planned at an average/cut-off yield of 4.17%/4.19%. Bid-to-target was 1.46x. Overall, quite a good result given the global and domestic uncertain backdrop.

↑ Carry

The cash rate inched more than 50 basis points higher to just above NBR credit facility rate of 3.50% yesterday. Upside pressure is likely to persist today with large quarterly payments to the state budget due.

EUR/RON forecasts (eop)

	4Q19	1Q20	2Q20	3Q20	4Q20
ING forecast	4.80	4.82	4.82	4.84	4.85
FX Forward	4.77	4.81	4.86	4.88	4.94

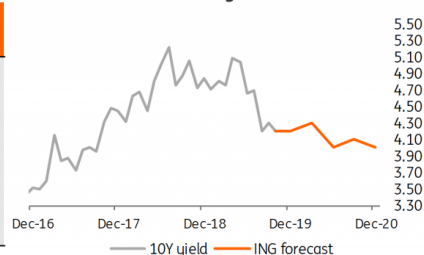
Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7550	0.1	0.0	0.1
EUR/PLN	4.2756	0.1	-0.2	-2.4
EUR/HUF	329.10	0.3	-0.6	-1.5
EUR/CZK	25.596	0.0	-0.4	-0.6
RO 5Y CDS*	90.5	-0.1	-0.2	0.0
ROBOR O/N*	2.98	129	114	-5
ROBOR 3M*	3.04	1	1	-6

*change in basis points; **US\$ (data as at 06:34 GMT)

Source: Reuters, ING

10Y yield



Author

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

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