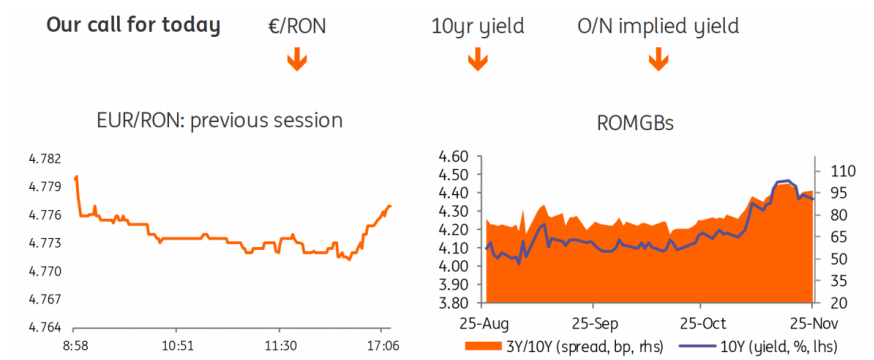


Briefing Romania

Presidential election result unlikely to move the market



Source: Refinitiv Datastream

EUR/RON

The new 4.7650-4.7850 trading range for the EUR/RON could be tested on the downside today after the pair closed just above 4.7700 on Friday. Over the weekend we had the presidential election but we don't expect much impact from this as the results had been largely anticipated by the market. The current president Klaus Iohannis has won a second five-year term with around 65% of the votes in his favour.

Government bonds

The fixed income market continues to be very quiet. Today's auction of RON400 million in Sep-2023 should see good demand as it is the last chance for local money managers to buy at the primary auction this month. Even with an upsize, an allocation around 3.90% looks reasonable for both sides.

Money market

Cash rates for the new reserve period spiked above 3.00% and should stay elevated until the budget payment situation becomes clear. Today's National Bank of Romania deposit taking auction shouldn't enjoy much demand as rates for the entire period are well above the 2.50% key rate.

EUR/RON forecasts (eop)

| | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 |
|--------------|------|------|------|------|------|
| ING forecast | 4.80 | 4.82 | 4.82 | 4.84 | 4.85 |
| FX Forward | 4.79 | 4.83 | 4.87 | 4.91 | 4.96 |

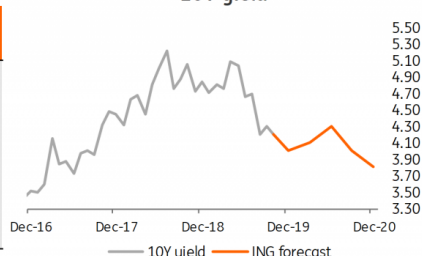
Market radar

| | Spot | 1D | %Ch | |
|------------|--------|------|------|------|
| | | | 1W | 1M |
| EUR/RON | 4.7710 | 0.0 | 0.1 | 0.3 |
| EUR/PLN | 4.2953 | 0.0 | 0.5 | 0.4 |
| EUR/HUF | 334.30 | 0.0 | -0.1 | 1.5 |
| EUR/CZK | 25.470 | -0.2 | -0.6 | -0.5 |
| RO 5Y CDS* | 90.3 | 0.0 | 0.3 | -0.2 |
| ROBOR O/N* | 1.76 | -29 | -84 | -122 |
| ROBOR 3M* | 3.00 | 1 | 3 | -4 |

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

Source: Refinitiv Datastream, ING estimates

10Y yield



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