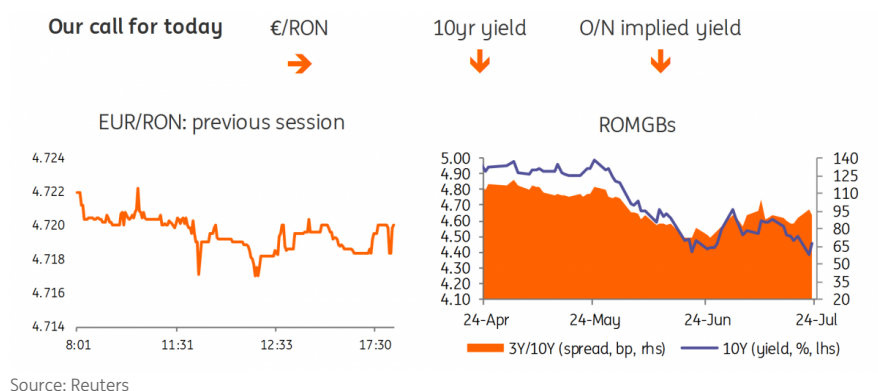


Briefing Romania

Nothing but the ECB in sight



EUR/RON

The monthly payments to the state budget generated additional selling interest in the EUR/RON along with the already familiar bond inflows. The pair tested below 4.7200 but failed to consolidate lower. We continue to see 4.7200 as a strong support for EUR/RON.

Government bonds

Romanian government bonds had a very good day again, the long end receiving solid inflows and dropping around 15 basis points. [A dovish ECB today](#) will likely support further buying interest along the curve.

Money market

Cash rates tightened for the period covering the beginning of the current reserve period, trading above 3.00% up to the 1W tenor. Once the dust settles over today's budget payments we should see rates coming towards or even below the key rate again.

EUR/RON forecasts (eop)

	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.77	4.80	4.82	4.85	4.87
FX Forward	4.75	4.79	4.83	4.86	4.91

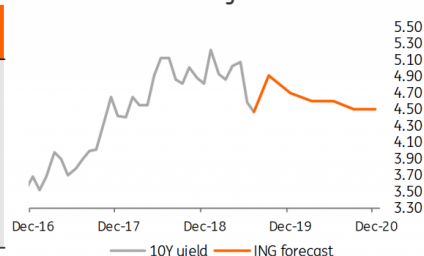
Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7200	-0.1	-0.2	-0.2
EUR/PLN	4.2519	-0.1	-0.2	0.0
EUR/HUF	325.34	0.1	0.1	0.3
EUR/CZK	25.505	0.1	-0.4	-0.3
RO 5Y CDS*	89.9	0.8	1.5	2.5
ROBOR O/N*	1.75	4	-50	7
ROBOR 3M*	3.11	0	-4	-12

*change in basis points; **US\$ (data as at 06:33 GMT)

Source: Reuters, ING estimates

10Y yield



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