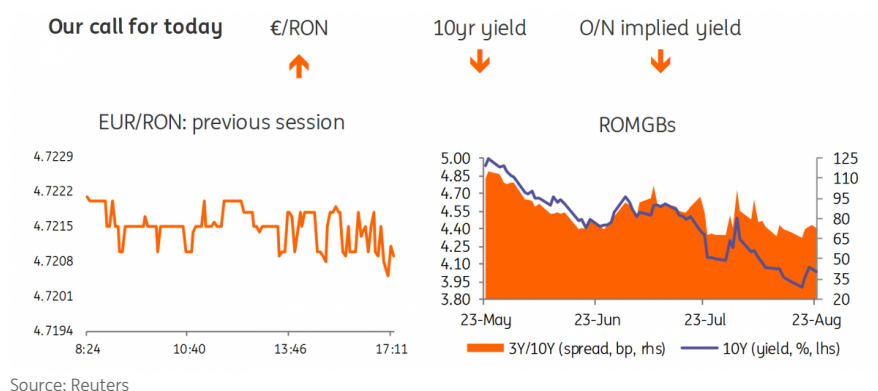


Briefing Romania

A quiet market this Monday due to a UK holiday



EUR/RON

The Romanian leu remained stable amid its regional peers' depreciation tendencies. We expect it to follow the trend with a lag, as usual. For now, 4.7300 remains the first target.

Government bonds

On the fixed income market, the curve steepened again as risk-off mood still persists. Today's RON600 million Sep-2023 primary auction proposes a fairly illiquid ISIN, which should see less offshore demand. With the London market closed as well, we could see the bids at the higher end of the secondary market range of 3.60%-3.70%.

Money market

The beginning of a new reserve period finds carry close to the 3.50% Lombard rate. We see it gradually inching lower over the coming days towards, but likely above, the 2.50% key rate. The NBR's deposit auction should meet prudent demand today.

EUR/RON forecasts (eop)

	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.77	4.80	4.82	4.85	4.87
FX Forward	4.77	4.81	4.85	4.89	4.93

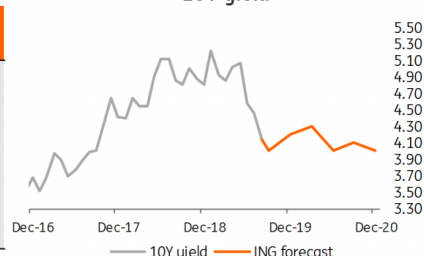
Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7240	0.1	-0.1	-0.1
EUR/PLN	4.3799	0.5	1.0	2.9
EUR/HUF	328.90	0.4	1.4	0.8
EUR/CZK	25.874	0.4	0.5	1.3
RO 5Y CDS*	88.5	1.1	-0.5	-0.5
ROBOR O/N*	3.53	-5	113	5
ROBOR 3M*	3.07	0	-2	-4

*change in basis points; **US\$ (data as at 06:16 GMT)

Source: Reuters, ING estimates

10Y yield



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