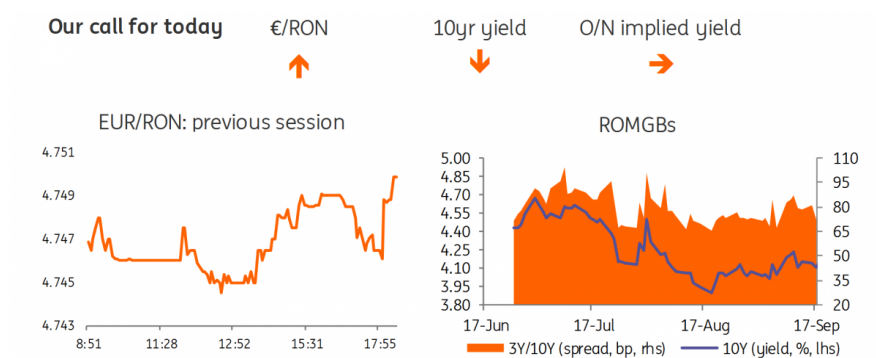


Briefing Romania

Good interest in 10Y bond auction



\uparrow EUR/RON

The EUR/RON traded sideways yesterday in a tight 4.7450-4.7500 range, testing the lower bound of the interval after the 10Y bond auction, which likely gathered some interest from offshore investors. Range for today: 4.7450-4.7550.

↓ ROMGBs

Long-end ROMGB yields declined around 5 basis points yesterday, helped by a good 10Y auction result. The Ministry of Finance sold the planned amount of RON500 million at an average/cut-off yield of 4.11%/4.13% - the lower end of expectations. The bid-to-cover ratio was 1.5x. Some unfilled demand is likely to keep the long end well bid today.

→ Money market

Despite budget payments the day before, the cash rate dropped c.50bps to 2.70% leading to a steepening of the forward curve.

EUR/RON forecasts (eop)

| | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 |
|--------------|------|------|------|------|------|
| ING forecast | 4.80 | 4.82 | 4.82 | 4.84 | 4.85 |
| FX Forward | 4.78 | 4.82 | 4.87 | 4.91 | 4.96 |

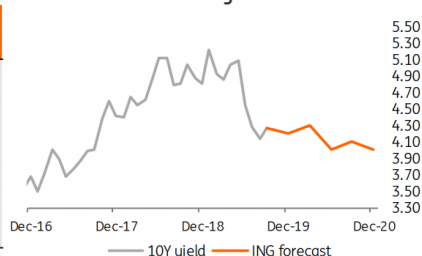
Market radar

| | Spot | 1D | %Ch 1W | 1M |
|------------|--------|------|-----------|-----|
| EUR/RON | 4.7466 | 0.1 | 0.3 | 0.4 |
| EUR/PLN | 4.3835 | -0.2 | 1.1 | 0.5 |
| EUR/HUF | 334.29 | -0.4 | 0.2 | 1.5 |
| EUR/CZK | 25.855 | -0.1 | -0.2 | 0.3 |
| RO 5Y CDS* | 90.6 | 0.4 | 3.4 | 2.1 |
| ROBOR O/N* | 2.80 | 111 | 66 | -19 |
| ROBOR 3M* | 3.07 | 1 | 1 | 0 |

*change in basis points; **US\$ (data as at 06:29 GMT)

Source: Reuters, ING

10Y yield



Author

Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

ciprian.dascalu@ing.com

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person

for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.