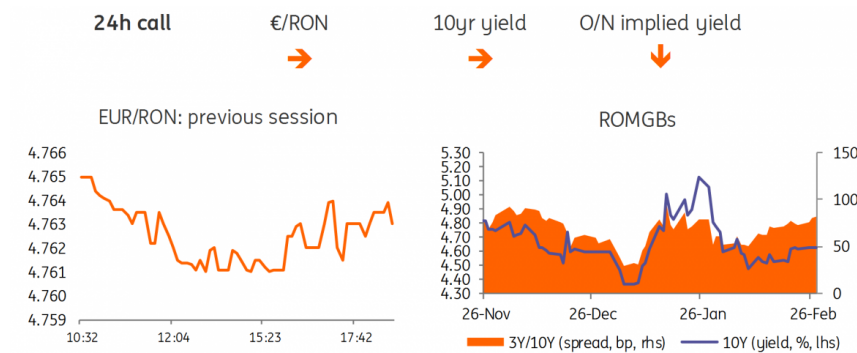


Briefing Romania

Softer cash rates



Source: Reuters

➔ EUR/RON

Range trading again for the EUR/RON, with some selling interest in the first part of the day pushing the pair towards 4.7600. Without major pressure on either side though, we closed around 4.7630. Today's calendar looks light, hence we look for another day of sideways trading for the EUR/RON around yesterday's close.

➔ Government bonds

The Romanian government bond market was pretty calm yesterday, with little interest across the curve. Several official statements regarding possible changes to the bank tax – apparently positive

ones for the banking sector- haven't stirred much interest, as such developments are likely already priced in to a large extent. The Ministry of Finance should release its March auction calendar shortly.

Money Market

Somewhat earlier than expected, cash rates started to inch lower yesterday, with overnight implied yields closing the day around 4.00%. The move partially translated into longer tenors as well, with 1M now at 4.30%. We expect the downside move to continue at a softer pace in the coming days as the 3.50% Lombard level could act as a reference for some time.

EUR/RON forecasts

	1Q19	2Q19	3Q19	4Q19	1Q20
ING forecast	4.75	4.75	4.80	4.80	4.82
FX Forward	4.82	4.82	4.91	4.96	5.01

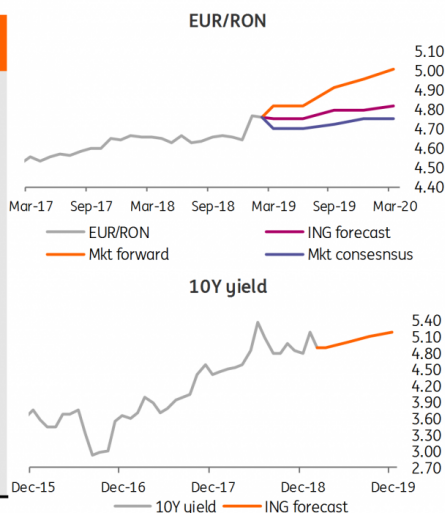
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7625	0.0	0.3	-0.3
EUR/PLN	4.3262	-0.4	-0.1	0.8
EUR/HUF	316.51	-0.4	-0.3	-0.3
EUR/CZK	25.63	0.0	-0.2	-0.5
RO 5Y CDS*	106.6	-100.0	0.1	3.6
ROBOR O/N*	3.56	-4.0	-12.0	3.0
ROBOR 3M*	3.29	1.0	10.0	18.0
DAX	1640.8	0.3	2.4	3.3
S&P 500	2793.9	-0.1	1.1	6.3
DE 10Y**	0.11	0.7	0.8	-9.8
US 10Y**	2.63	-3.7	-1.3	-11.2
Gold (US\$)**	1326.8	0.1	-1.1	1.8
Brent (US\$)**	65.4	0.7	-1.5	9.4

*change in basis points; **US\$ (data as at 05:50 GMT)

Source: Reuters, Bloomberg, ING



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