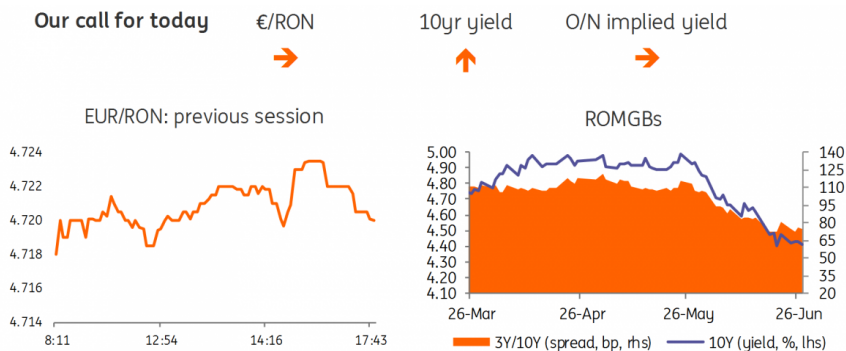


Briefing Romania

Pension law approved by the Parliament



Source: Reuters

EUR/RON

The EUR/RON traded in a tight range yesterday and closed just above 4.7200 after an uneventful day. With no important data on the calendar, we expect the same 4.7150-4.7250 range for today.

Government bonds

The end of month usually brings some buying flows in ROMGBs on behalf of local pension funds. Little has moved though and if anything, the curve actually traded a touch more defensive after Parliament approved the pension law, which envisages substantial annual increases until 2022. The July auction calendar is still expected by tomorrow at the latest.

Money market

On the money market, things look quite calm, with carry slightly above the key rate and the longer end stable. We see limited room for further curve compression from now on as the longer end already trades at, or even below, the 3.50% Lombard rate.

EUR/RON forecasts (eop)

	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.74	4.77	4.85	4.87	4.88
FX Forward	4.72	4.77	4.81	4.86	4.89

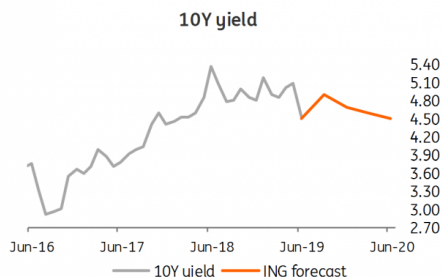
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.760	0.1	-0.7	-0.8
EUR/PLN	4.2590	-0.1	-0.7	-0.8
EUR/HUF	323.44	-0.1	-0.4	-0.3
EUR/CZK	25.419	-0.1	-16	-12
RO 5Y CDS*	89.5	0.0	-0.4	3.6
ROBOR O/N*	2.61	-2.0	33.0	-310
ROBOR 3M*	3.23	0.0	0.0	-4.0

*change in basis points; **US\$ (data as at 06:20 GMT)

Source: Reuters



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