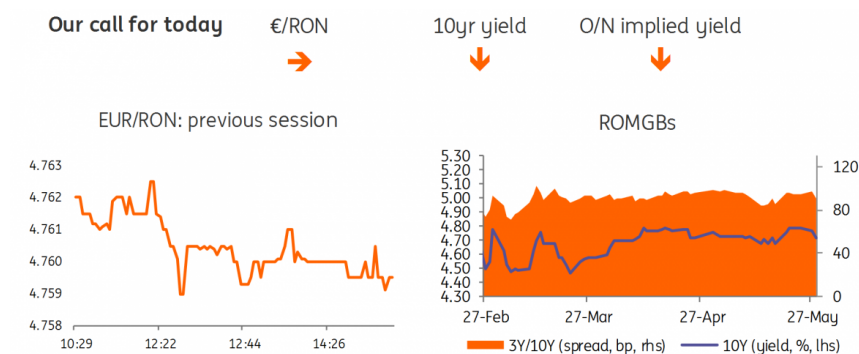


Briefing Romania

Strong demand for 2023 bonds



Source: Reuters

➔ EUR/RON

Little to no action yesterday in EUR/RON which traded in a tight range, just above 4.7600, though turnover was relatively decent considering there was a public holiday in London. Today, we see a 4.7550-7.7650 range with the market keeping an eye on political developments.

↓ Government bonds

ROMGBs' curve shifted a couple of basis points lower post a strong primary auction result. MinFin sold RON747m versus RON300m target in Jun-2023 bonds at an average/cut-off yield of 4.33%/4.34% with total demand at RON1.15bn.

Money market

Cash rates stood above the key rate level, near 3.00% implied yield, with payments to the state budget due. Hence, the NBR did not organise its weekly deposit-taking auction.

EUR/RON forecasts (eop)

| | 2Q19 | 3Q19 | 4Q19 | 1Q20 | 2Q20 |
|--------------|------|------|------|------|------|
| ING forecast | 4.77 | 4.78 | 4.85 | 4.87 | 4.88 |
| FX Forward | 4.78 | 4.83 | 4.88 | 4.94 | 4.97 |

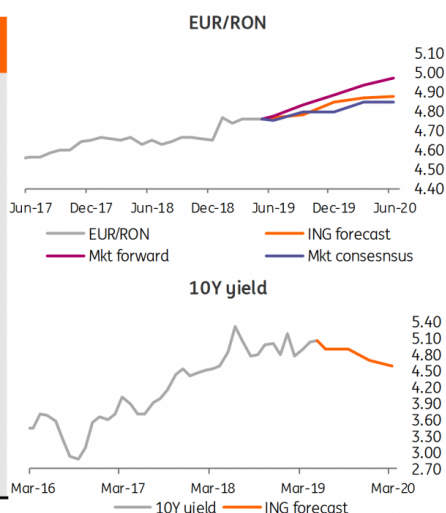
Source: Reuters, Bloomberg, ING

Market radar

| | Spot | %Ch | | |
|----------------|--------|--------|-------|-------|
| | | 1D | 1W | 1M |
| EUR/RON | 4.7601 | -0.1 | 0.0 | 0.2 |
| EUR/PLN | 4.2903 | -0.1 | -0.2 | -0.1 |
| EUR/HUF | 325.58 | 0.0 | -0.3 | 0.9 |
| EUR/CZK | 25.822 | 0.1 | 0.1 | 0.5 |
| RO 5Y CDS* | 98.7 | 9.8 | -0.9 | -0.8 |
| ROBOR O/N* | 2.96 | 5.0 | 99.0 | -0.6 |
| ROBOR 3M* | 3.27 | -10 | -10 | -12.0 |
| DAX | 120712 | 0.5 | 0.6 | -17 |
| S&P 500 | 2826.1 | 0.1 | -99.5 | -99.5 |
| DE 10Y* | -0.15 | -2.5 | -5.7 | -12.7 |
| US 10Y* | 2.30 | -232.9 | -11.1 | -20.1 |
| Gold (US\$)** | 1283.9 | 0.0 | 0.5 | -0.2 |
| Brent (US\$)** | 70.1 | 2.1 | -2.7 | -2.2 |

*change in basis points; **US\$ (data as at 06:41GMT)

Source: Reuters, ING estimates



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