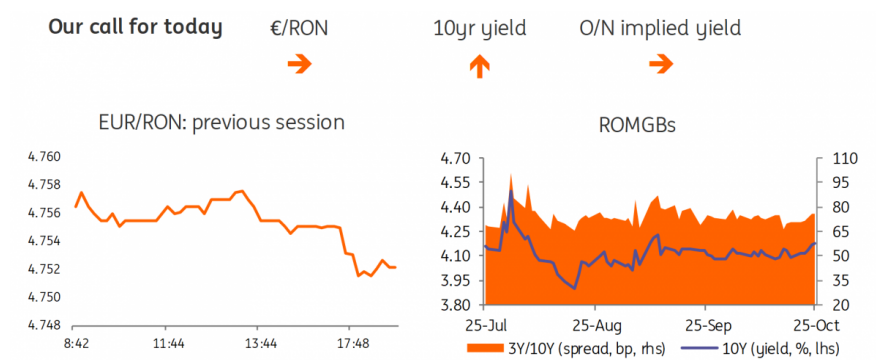


Briefing Romania

Looking for a good September 2023 auction



Source: Refinitiv Datastream

EUR/RON

The EUR/RON continues to move within its already well settled 4.7500-4.7600 range. The 4.7500 held on quite well to the downside pressure last week. Hence, the next test is more likely to be to the upside.

Government bonds

The fixed income market has turned quiet again after the relatively good 10-year auction result, closing flat on Friday versus the previous day. This week will be all about the Federal Reserve rate decision, hence we would expect some cautious trading ahead of it.

Nevertheless, today's RON400 million September 2023 auction should again enjoy decent demand as the tenor is suitable for a broad range of investors. It's the second auction for this tenor in the current month. Printing the 3.74% average from the last auction will be challenging but we can still see an average below 3.80% which would be a good result.

Money market

Cash rates started to return to normal right after the budget payments were completed, closing the day below 3.00%. We expect to see the downward trend continuing towards the 2.50% key rate.

EUR/RON forecasts (eop)

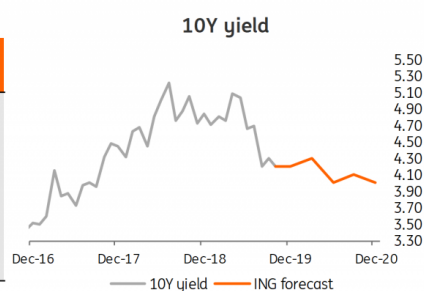
	4Q19	1Q20	2Q20	3Q20	4Q20
ING forecast	4.80	4.82	4.82	4.84	4.85
FX Forward	4.77	4.81	4.85	4.88	4.94

Market radar

	%Ch			
	Spot	1D	1W	1M
EUR/RON	4.7530	0.1	0.0	0.1
EUR/PLN	4.2805	0.1	-0.1	-2.3
EUR/HUF	328.65	0.3	-0.8	-1.6
EUR/CZK	25.551	0.0	-0.6	-0.8
RO 5Y CDS*	90.5	-0.1	-0.2	0.0
ROBOR O/N*	2.98	129	114	-5
ROBOR 3M*	3.04	1	1	-6

*change in basis points; **US\$ (data as at 06:04 GMT)

Source: Refinitiv Datastream, ING estimates



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