

Snap | 28 March 2019

ROMANIA

Briefing Romania

Good demand for Romania EUR debt



Our call for today

€/RON



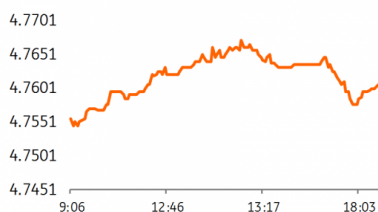
10yr yield



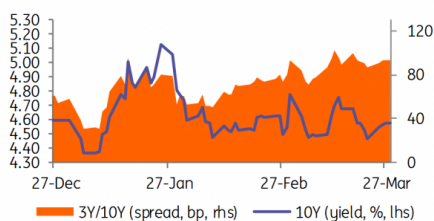
O/N implied yield



EUR/RON: previous session



ROMGBs



Source: Reuters

➔ EUR/RON

EUR/RON saw more animated trading yesterday, at least in terms of turnover. The pair traded above 4.7600 for most of the day but couldn't consolidate above this level. Today is another day though and we could see the pair testing the upside again.

⬇️ Government bonds

The Ministry of Finance tapped the Eurobond market yesterday with a three-part EUR benchmark transaction. Final terms for the total EUR3 billion issued were: EUR1.15bn in 7-year at MS+190 basis points, EUR500m in 15-year at MS+285 basis points and EUR1.35bn in 30-year at MS+365 basis points.

The Romanian government bond curve shifted another 2-3 basis points lower. The government postponed until tomorrow the adoption of the emergency decree for bank tax amendments.

➔ Money Market

Cash rates continued to inch lower and are now trading around 3.50% where they might settle for a while.

EUR/RON forecasts (eop)

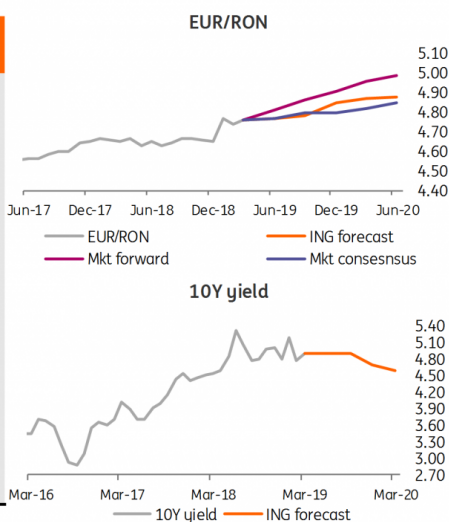
	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.77	4.78	4.85	4.87	4.88
FX Forward	4.81	4.86	4.91	4.96	4.99

Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7574	0.1	0.1	-0.1
EUR/PLN	4.2944	0.0	0.4	-0.6
EUR/HUF	39.65	0.4	1.9	1.0
EUR/CZK	25.768	0.0	0.5	0.5
RO 5Y CDS*	106.3	0.0	1.7	-0.4
ROBOR O/N*	3.46	-6.0	172.0	-10.0
ROBOR 3M*	3.23	0.0	10.0	-6.0
DAX	114.9	0.0	-1.3	-0.7
S&P 500	2805.37	-0.5	-0.1	1.0
DE 10Y*	-0.08	-6.7	-16.4	-19.7
US 10Y*	2.36	-4.0	-17.9	-27.8
Gold (US\$)**	1311.2	-0.5	-0.1	-1.3
Brent (US\$)**	67.6	-0.2	-1.3	3.5

*change in basis points; **US\$ (data as at 09:30 GMT)



Source: Reuters, Bloomberg, ING

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THINK economic and financial analysis

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