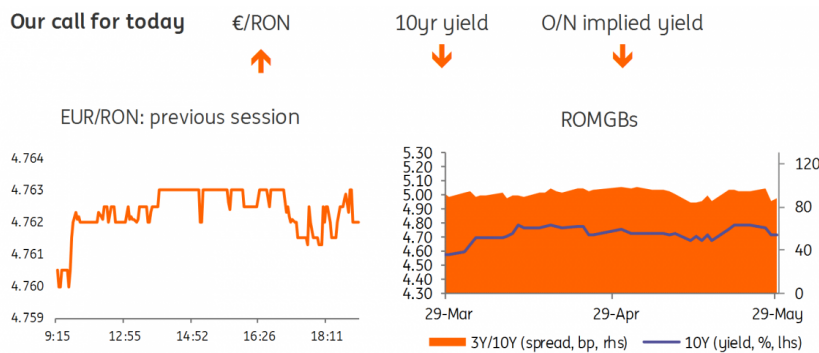


Briefing Romania

Large turnover in EUR/RON



Source: Reuters

↑ EUR/RON

After an initial test at 4.7600, the EUR/RON inched up and traded heavily around 4.7630. The turnover for the day was above average. With the global risk-off mood prevailing today and domestic politics heating up (as the unity of the parliamentary majority is about to be tested) we could see upward pressure on the EUR/RON. In the 4.7650-4.7700 area, the central bank is likely to curb the upside move. Hence, the range for the EUR/RON today is 4.7600-4.7700.

↓ Government bonds

The ROMGBs yield curve inched a couple of basis points lower likely on some month-end inflows.

Money market

Implied cash rates stood just below 3.00% percent yesterday. The forward implied yield curve is pricing in ample liquidity conditions in the front-end on an upcoming RON8.9 billion bond redemption on 24-June. Hence, 1M implied is around 3.30% and 3M at 3.50%. However, with no meaningful redemption for the rest of the year and prospects for a weaker RON, the 1Y implied yield remains around 4.00%.

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

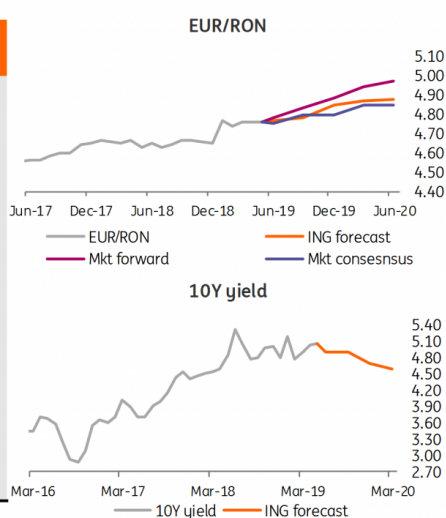
Source: Reuters, Bloomberg, ING

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7620	0.1	-0.1	0.0
EUR/PLN	4.2984	0.2	-0.2	0.1
EUR/HUF	327.3	0.4	0.4	12
EUR/CZK	25.842	0.1	0.2	0.7
RO 5Y CDS*	89.9	-8.9	-9.7	-9.5
ROBOR O/N*	2.92	-4.0	22.0	-6.0
ROBOR 3M*	3.27	0.0	-1.0	-2.0
DAX	12027.1	-0.4	-0.6	-2.1
S&P 500	2802.4	-0.8	-1.6	-4.3
DE 10Y*	-0.17	-12	-10.7	-16.7
US 10Y*	2.23	226.8	-19.2	-30.2
Gold (US\$)**	1283.3	-0.4	0.7	0.3
Brent (US\$)**	69.5	0.0	-3.7	-2.9

*change in basis points; **US\$ (data as at 06:40 GMT)

Source: Reuters, ING estimates



Author

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

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