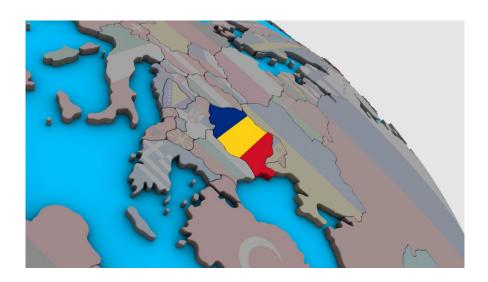
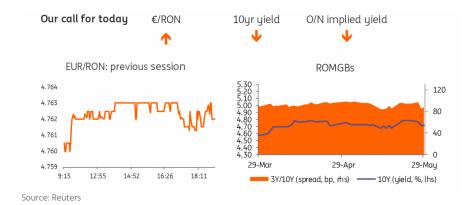
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Briefing Romania

Large turnover in EUR/RON





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

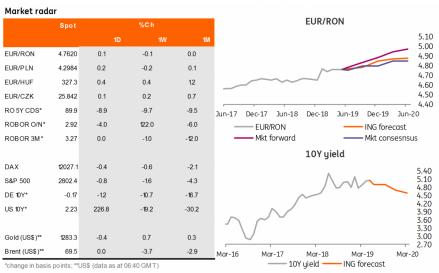
The ROMGBs yield curve inched a couple of basis points lower likely on some month-end inflows.

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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, ING estimates

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