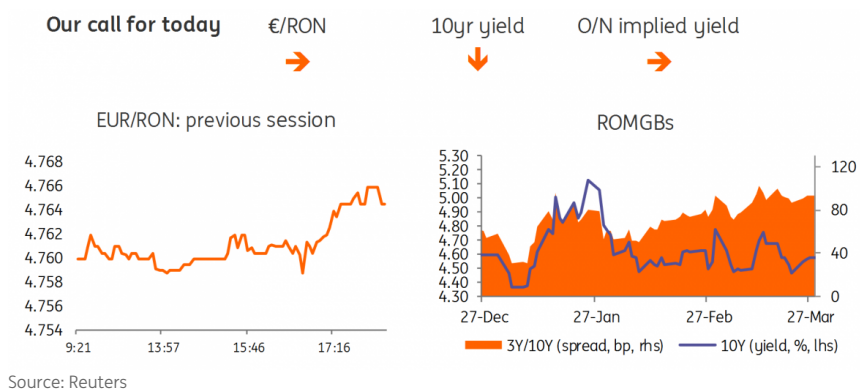


Briefing Romania

Funding rates remain above Lombard



→ EUR/RON

The EUR/RON traded quite narrowly around 4.7600 for most of yesterday's trading session and tested higher in the after-hours. We expect the upside pressure to persist today and look for a 4.7550-4.7650 range.

↓ Government bonds

A relatively quiet day for Romanian government bonds, with most of the action concentrated in the recently issued Eurobonds. We expect the auction calendar for April-2019 to be released today and see some positioning on this news.

➔ Money Market

As expected, the downward move in cash rates has paused ahead of the 3.50% Lombard rate and somewhat surprisingly, cash rates even inched 15-20 basis points higher yesterday. The curve is remarkably flat again, all tenors are trading within some 25 basis points, between 3.75% and 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	4.81	4.86	4.91	4.96	4.99

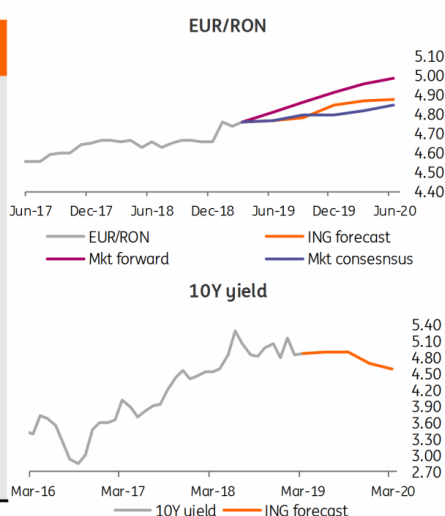
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7591	0.2	0.1	0.4
EUR/PLN	4.2923	0.1	0.2	-0.6
EUR/HUF	39.99	0.1	1.7	1.2
EUR/CZK	25.786	0.2	0.4	0.6
RO 5Y CDS*	109.9	3.4	3.7	3.9
ROBOR O/N*	3.41	-5.0	15.0	-9.0
ROBOR 3M*	3.23	0.0	9.0	-5.0
DAX	1428.2	0.1	-0.7	-0.2
S&P 500	285.44	0.4	-0.8	1.4
DE 10Y*	-0.07	1.1	-10.4	-21.9
US 10Y*	2.40	1.7	-14.1	-29.5
Gold (US\$)**	1288.0	-1.5	-1.6	-2.4
Brent (US\$)**	68.0	0.0	0.2	2.1

*change in basis points; **US\$ (data as at 09:25 GMT)

Source: Reuters, Bloomberg, ING



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