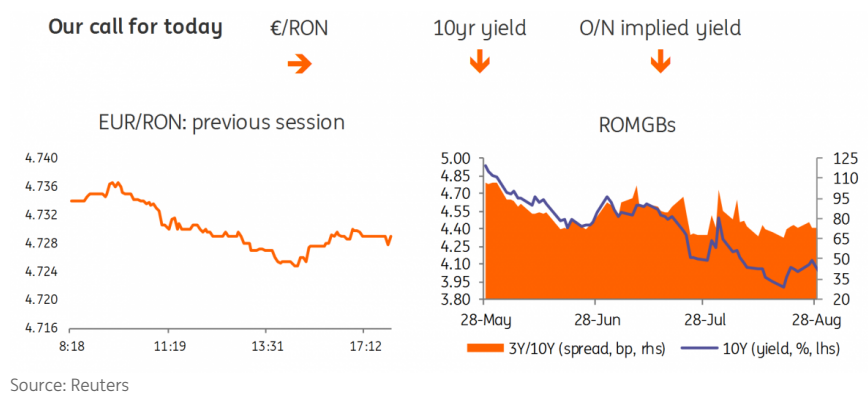


## Briefing Romania

Political noise ignored already?



### EUR/RON

The EUR/RON corrected lower yesterday, possibly on commercial flows as its regional peers have been under pressure. Trading below 4.7300 should be rather occasional in our view, but possible bond inflows could change the story again.

## Government bonds

With political uncertainties apparently here to stay for an extended period, Romanian government bonds recovered all losses from the previous days as the yield curve shifted as much as 10 basis points lower yesterday. The move was well supported by regional developments as well, with Polish government bonds particularly well bid. Again, it looks like the external context still matters more for investors than local idiosyncratic factors.

## Money market

The easing bias on cash rates continued, with the entire curve now below 3.00%. Gradual lower rates is what we expect for the upcoming days as well.

### EUR/RON forecasts (eop)

	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.77	4.80	4.82	4.85	4.87
FX Forward	4.77	4.81	4.85	4.89	4.94

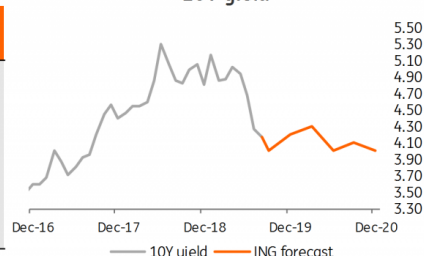
### Market radar

	Spot	1D	%Ch 1W	1M
EUR/RON	4.7290	0.1	0.0	0.0
EUR/PLN	4.3902	0.4	0.7	2.4
EUR/HUF	330.05	0.1	0.7	0.7
EUR/CZK	25.881	0.2	0.3	0.9
RO 5Y CDS*	87.6	-0.2	-0.9	-1.6
ROBOR O/N*	2.87	-5	28	21
ROBOR 3M*	3.06	-1	-1	0

\*change in basis points; \*\*US\$ (data as at 06:20 GMT)

Source: Reuters, ING estimates

### 10Y yield



## Author

### Valentin Tataru

Chief Economist, Romania

[valentin.tataru@ing.com](mailto:valentin.tataru@ing.com)

### Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the

Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.