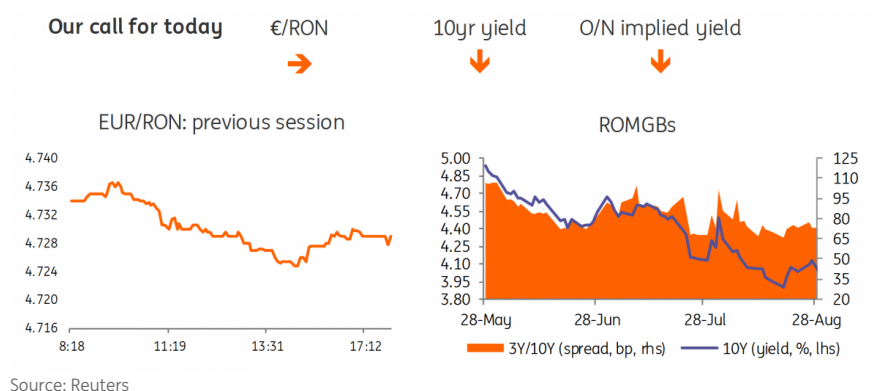


## Briefing Romania

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

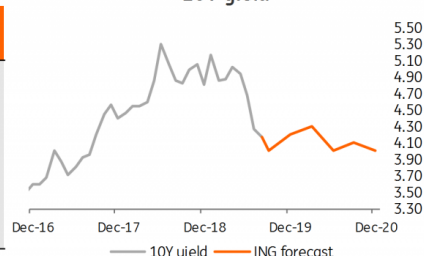
### Market radar

	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



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