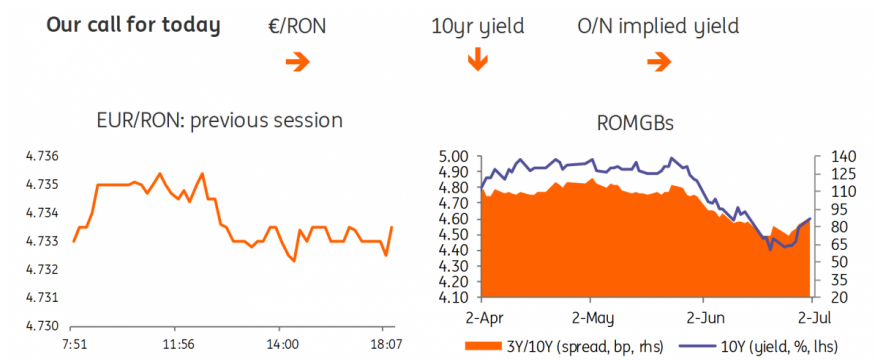


# Briefing Romania

New NBR Board vote today



Source: Reuters

## EUR/RON

As expected, the market remains quiet ahead of a vote by Parliament today on a new central bank Board and key rate decision tomorrow. The EUR/RON has remained stable in a tight 4.7320-4.7350 range. We expect a similar pattern today.

## Government bonds

After an initial upward move, Romanian government bonds corrected and closed the day with a mini-rally, though we are still far from recovering the approximately 20 basis points lost last week alone. Markets seem to have interpreted the [ECB nomination](#) as a predominantly dovish signal which, in the short term, could re-ignite buying interest for local papers.

## Money market

Cash continues to trade around the 2.50% key rate. Liquidity seems quite ample and we could see the FX swap implied yields trading more towards 2.00% as offshore banks cannot access the NBR's deposit auction.

### EUR/RON forecasts (eop)

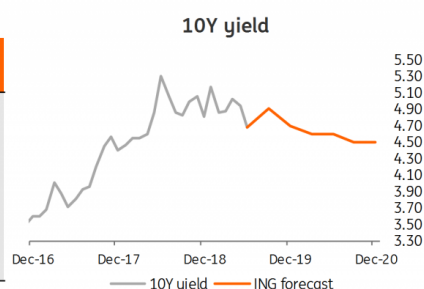
|              | 3Q19 | 4Q19 | 1Q20 | 2Q20 | 3Q20 |
|--------------|------|------|------|------|------|
| ING forecast | 4.77 | 4.85 | 4.85 | 4.85 | 4.87 |
| FX Forward   | 4.78 | 4.83 | 4.88 | 4.91 | 4.96 |

### Market radar

|            | Spot   | 1D   | %Ch  |      |
|------------|--------|------|------|------|
|            |        |      | 1W   | 1M   |
| EUR/RON    | 4.7327 | 0.0  | 0.0  | -0.4 |
| EUR/PLN    | 4.2423 | -0.2 | -0.2 | -1.1 |
| EUR/HUF    | 322.72 | -0.2 | -0.5 | -0.6 |
| EUR/CZK    | 25.444 | 0.0  | -0.6 | -1.5 |
| RO 5Y CDS* | 88.6   | 0.1  | 1.2  | -1.3 |
| ROBOR O/N* | 2.58   | -3   | 90   | -23  |
| ROBOR 3M*  | 3.23   | 0    | 0    | -2   |

\*change in basis points; \*\*US\$ (data as at 06:14 GMT)

Source: Reuters, ING estimates



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