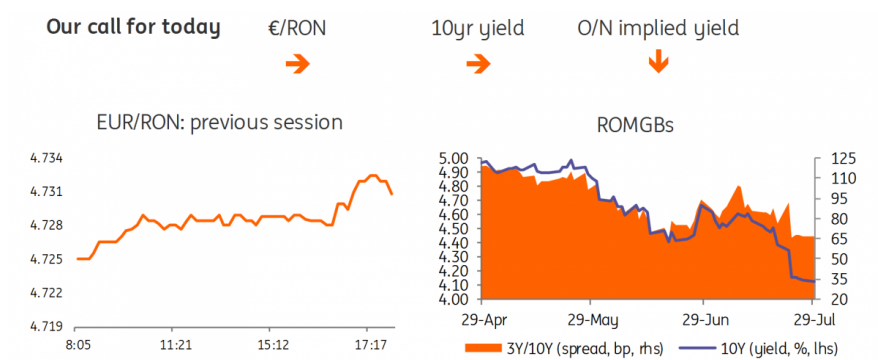


Briefing Romania

EUR/RON back to 4.7300



Source: Reuters

EUR/RON

In line with [our expectations](#), the EUR/RON tested 4.7300 yesterday, closing marginally above it on low turnover. Should cash rates continue to inch lower, we could see the pair consolidate above 4.7300.

Government bonds

A quiet day for ROMGBs as the market awaits the Federal Reserve’s rate decision tomorrow while the August auction calendar hasn’t been released yet. If anything, some profit taking is more likely before the Fed.

Money market

Yesterday’s central bank’s one week deposit auction didn’t exactly go off with a bang as only RON1.33 billion was deposited by nine banks. This could be due to precautionary reasons but also the higher budget payments in previous days due to their quarterly nature. In any case, we still see some room for easing at the front end, though not well below the 2.50% key rate, for now.

EUR/RON forecasts (eop)

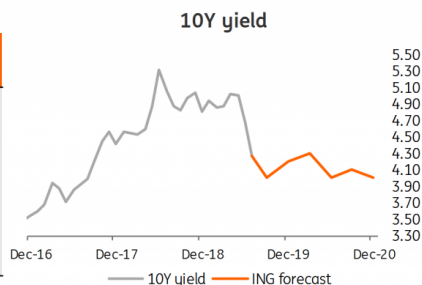
	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.77	4.80	4.82	4.85	4.87
FX Forward	4.76	4.80	4.84	4.87	4.91

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7300	0.2	0.2	0.2
EUR/PLN	4.2879	0.3	1.0	1.1
EUR/HUF	327.72	0.3	0.7	1.5
EUR/CZK	25.650	0.2	0.4	0.8
RO 5Y CDS*	89.2	-0.5	0.0	-0.5
ROBOR O/N*	2.80	-53	105	22
ROBOR 3M*	3.08	-1	-3	-15

*change in basis points; **US\$ (data as at 06:30 GMT)

Source: Reuters, ING estimates



Author

Valentin Tataru

Chief Economist, Romania

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 www.ing.com.