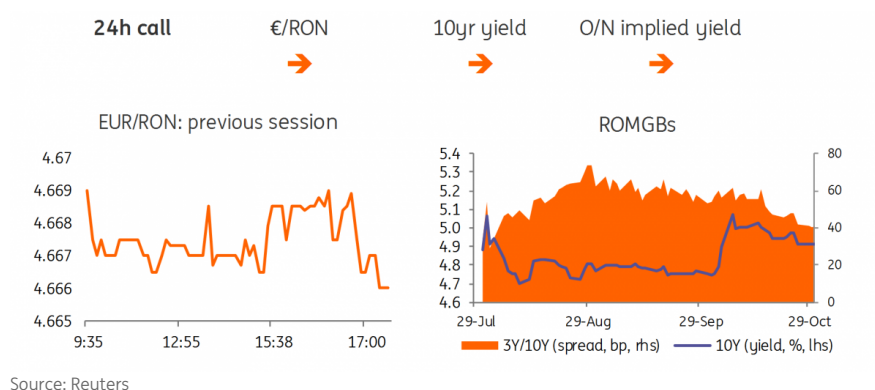


## BriefING Romania

Extended duration plans for November issuance



### ➔ EUR/RON

Another day of range trading for the EUR/RON, in a quite tight interval of 30 pips. The pair hovered in the upper part of our already long indicated 4.6600-4.6700 range and look set to do more of the same in the coming days.

### ➔ Government bonds

A mild downside shift for ROMGBs yields yesterday with the front end dropping some 2 basis points in an otherwise quiet trading session. Later in the day, the Ministry of Finance released its auction calendar for November. The planned amount is roughly in line with expectations, at RON4.1 billion

in bonds and RON600 million in one 1Y T-bill auction. Duration-wise the calendar looks skewed to longer-term issuance as the MinFin likely wants to avoid being exposed to liquidity squeezes in the money market.

## ➔ Money Market

Cash rates seem to have stabilised after Monday's record repo auction, with funding yields trading slightly below 3% and while the longer tenors follow a steady upward sloping curve, ranging from 3.3% in 1M to 3.9% in 1Y. While another repo auction could still be needed next week, the government monthly spending should start to kick in as we move ahead into the current reserve period, hence new liquidity squeezes, like the last one, are unlikely.

EUR/RON forecasts and forwards

	4Q18	1Q19	2Q19	3Q19	4Q19
ING forecast	4.70	4.67	4.65	4.70	4.75
Forward rate	4.69	4.74	4.79	4.84	4.91

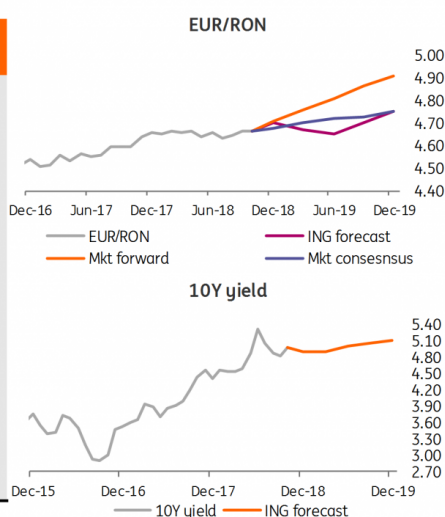
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.665	0.0	0.0	0.0
EUR/PLN	4.3339	-0.1	0.8	11
EUR/HUF	324.89	0.0	0.7	0.5
EUR/CZK	25.893	0.1	0.4	0.3
RO 5Y CDS*	98.29	0.1	0.4	18
ROBOR O/N*	2.77	-4.0	1110	7.0
ROBOR 3M*	3.32	-2.0	0.0	15.0
DAX	1287.4	-0.4	0.5	-8.2
S&P 500	2682.63	16	-16	-7.7
DE 10Y*	0.391	-0.6	-2.5	-7.8
US 10Y*	3.1378	2.2	-2.8	5.8
Gold (US\$)**	1216.81	-0.5	-11	2.4
Brent (US\$)**	76.78	-18	0.4	-9.6

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

Source: Reuters, Bloomberg, ING



## Author

### Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

[ciprian.dascalu@ing.com](mailto:ciprian.dascalu@ing.com)

### 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 [www.ing.com](http://www.ing.com).