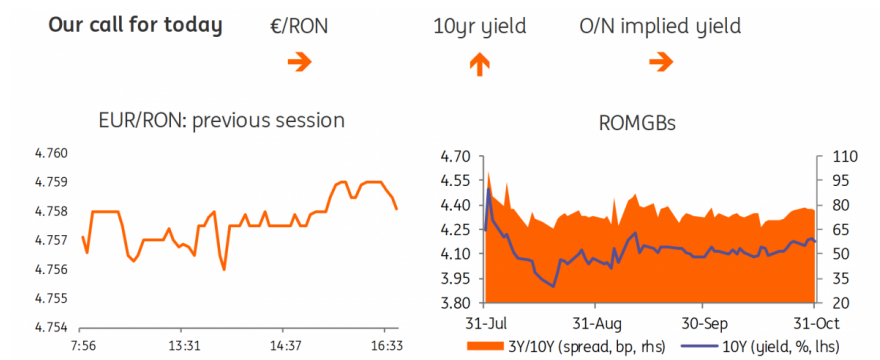


Briefing Romania

Market cautious after the Fed



Source: Refinitiv Datastream

EUR/RON

The EUR/RON continued to trade sideways in a narrow 4.7560-4.7590 range. We expect it to remain in the 4.7500-4.7600 range in upcoming days, with upside tests more likely.

Government bonds

Romanian government bonds traded relatively defensively again yesterday, ahead of the Federal Reserve meeting. The same mood is likely to prevail today, as markets seemed to interpret the Fed's action as a relatively hawkish cut (more on this [here](#)). Otherwise, the November auction calendar is set to be released in coming days though no surprises are expected in terms of issuance target.

Money market

Cash rates continued to inch lower towards the 2.50% key rate. The budget deficit numbers for September explain to some extent the current liquidity surplus we see in the market (more on the latest budget deficit data [here](#)).

EUR/RON forecasts (eop)

	4Q19	1Q20	2Q20	3Q20	4Q20
ING forecast	4.80	4.82	4.82	4.84	4.85
FX Forward	4.77	4.81	4.86	4.89	4.94

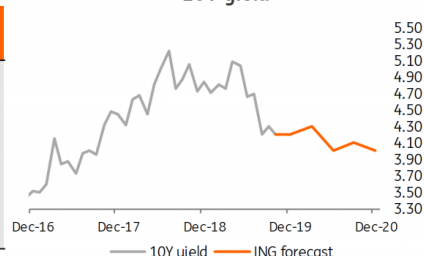
Market radar

	Spot	1D	%Ch	
			1W	1M
EUR/RON	4.7570	0.1	0.0	0.2
EUR/PLN	4.2576	-0.3	-0.3	-2.7
EUR/HUF	329.30	-0.1	0.4	-1.8
EUR/CZK	25.505	-0.1	-0.4	-1.1
RO 5Y CDS*	90.2	-0.1	-0.4	-0.6
ROBOR O/N*	2.81	-2	112	26
ROBOR 3M*	3.01	-2	-2	-8

*change in basis points; **US\$ (data as at 06:22 GMT)

Source: Refinitiv Datastream, ING estimates

10Y yield



Author

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

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