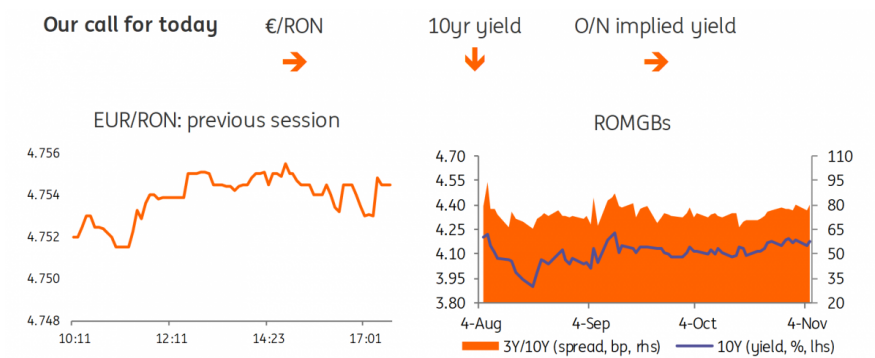


# Briefing Romania

Parliament backed the new liberal government



Source: Refinitiv Datastream

## EUR/RON

It was business as usual for the Romanian leu, which remains stable despite internal political clashes and external developments. We continue to view this stability as being mostly related to the electoral context and look for an upward correction towards the end of 2019/early 2020.

## Government bonds

As expected, the Apr-2026 auction enjoyed good demand, gathering total bids of RON1.23 billion. The Ministry of Finance upsized again from the RON600 million planned to RON775 million for which it paid an average yield of 4.00% and a maximum of 4.02%. Overall, a good auction, though a lot had to do with this particular ISIN being in high demand after its inclusion in the GBI-EM index last month. The parliament vote on backing a new government came too late in the day to have a meaningful market impact and if anything ROMGBs were better bid after the new cabinet was confirmed.

## Money market

Money market yields traded almost flat versus the previous day, with the RON4.5billion drained by the central bank at its deposit auction likely being enough to keep rates stable.

### EUR/RON forecasts (eop)

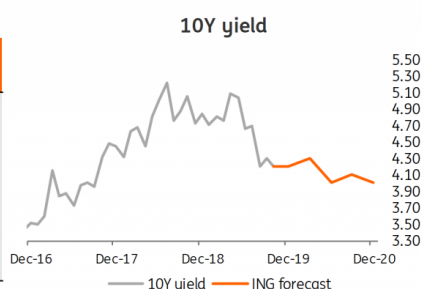
	4Q19	1Q20	2Q20	3Q20	4Q20
ING forecast	4.80	4.82	4.82	4.84	4.85
FX Forward	4.76	4.80	4.85	4.88	4.93

### Market radar

	Spot	1D	%Ch	
			1W	1M
EUR/RON	4.7526	0.0	0.0	0.1
EUR/PLN	4.2701	0.4	-0.1	-1.2
EUR/HUF	329.23	0.5	0.3	-0.9
EUR/CZK	25.525	0.1	0.0	-0.8
RO 5Y CDS*	90.2	0.0	-0.1	-0.8
ROBOR O/N*	2.55	2	-35	9
ROBOR 3M*	2.99	1	-5	-8

\*change in basis points; \*\*US\$ (data as at 06:33 GMT)

Source: Refinitiv Datastream, ING estimates



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