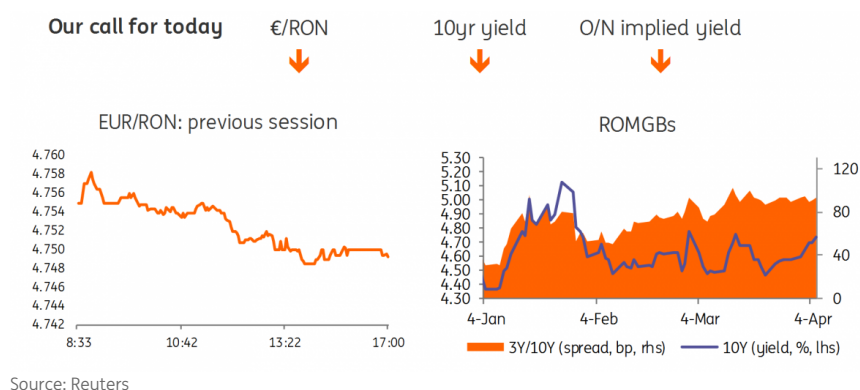


Strong Sep-2031 auction



High carry rates and slightly better risk sentiment pushed the EUR/RON below 4.7500 yesterday, on above-average turnover. We could see some tests below 4.7450 today, but we don't expect a sustained appreciation trend for the leu. Over the coming months we rather see the pair relatively stable in the 4.7500-4.7700 range.

A strong Sep-2031 bond auction managed to somewhat animate an otherwise numb ROMGB market. The Ministry of Finance allocated RON200 million at 5.21% average and 5.24% maximum

yields. Total demand stood at RON585 million versus the RON200 million target.

Money Market

Funding rates remained relatively stable at these high levels. In fact, implied yields up to 1Y are all above 4.00% now, a first after quite some time.

EUR/RON forecasts (eop)

	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.77	4.78	4.85	4.87	4.88
FX Forward	4.80	4.86	4.91	4.95	4.98

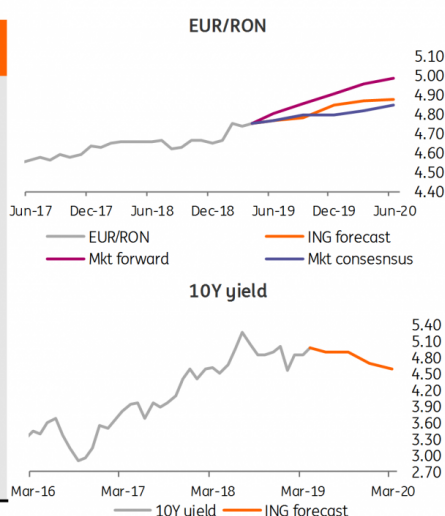
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7485	-0.1	-0.4	0.1
EUR/PLN	4.2890	-0.1	-0.2	-0.2
EUR/HUF	320	0.1	-0.1	14
EUR/CZK	25.66	-0.2	-0.6	0.2
RO 5Y CDS*	109.9	0.0	0.0	4.8
ROBOR O/N*	3.54	0.0	13.0	100.0
ROBOR 3M*	3.38	4.0	15.0	20.0
DAX	11988	0.3	5.2	3.8
S&P 500	2879.39	0.2	2.8	4.4
DE 10Y*	0.01	-0.3	8.3	-117
US 10Y*	2.53	-0.7	14.2	-16.1
Gold (US\$)**	1288.0	0.2	-0.2	0.1
Brent (US\$)**	69.2	0.1	3.1	4.9

*change in basis points; **US\$ (data as at 06:23 GMT)

Source: Reuters, Bloomberg, ING



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