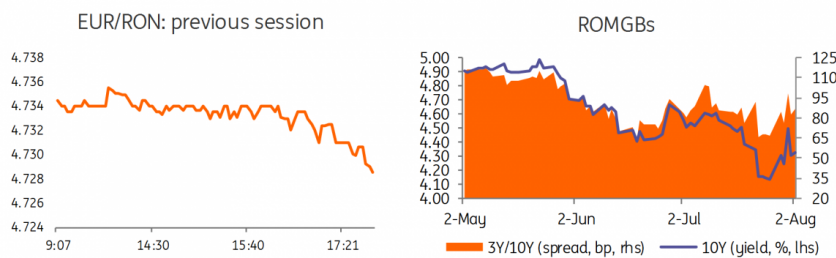


Briefing Romania

We expect the National Bank of Romania to stay on hold at 2.50% today



Our call for today €/RON 10yr yield O/N implied yield
 ↑ ↓ →



Source: Reuters

EUR/RON

The EUR/RON continued to trade in the 4.7300-4.7350 range for most of the day, with an after-hours selling flow pushing the pair below 4.7300 temporarily. The market should be quiet today ahead of the NBR's key rate decision. For guidance about the week ahead, today's press

conference following the NBR meeting should be carefully watched, but in general we see the pair remaining stable in the 4.7250-4.7450 range.

Government bonds

The somewhat chaotic trading that we see in Romanian government bonds these days continued on Friday as well. This time the buyers prevailed, as bad news regarding the global trade war seem to be good news for the fixed income markets. Hence, yields dropped up to 15 basis points, with the longer tenors in highest demand. For today, we expect the market to be vigilant ahead of the [NBR's meeting](#). We believe that the central bank will keep the key rate on hold at 2.50% and possibly downplay a bit its reference to “strict liquidity control”.

Money market

Cash rates traded flat on Friday, closing marginally above the 2.50% key rate. All eyes are on the NBR today and its wording on the “strict liquidity control” reference.

EUR/RON forecasts (eop)

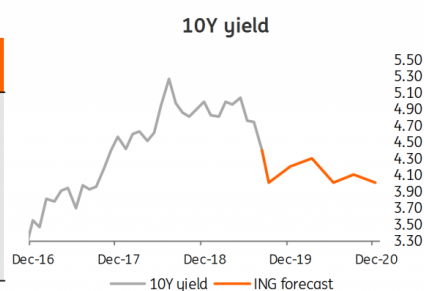
	3Q19	4Q19	1Q20	2Q20	3Q20
ING forecast	4.77	4.80	4.82	4.85	4.87
FX Forward	4.78	4.82	4.87	4.91	4.96

Market radar

	Spot	1D	%Ch	
			1W	1M
EUR/RON	4.7310	-0.2	0.2	0.3
EUR/PLN	4.3119	0.0	0.9	1.6
EUR/HUF	327.45	0.0	0.1	1.4
EUR/CZK	25.762	-0.2	0.7	1.1
RO 5Y CDS*	90.0	1.2	0.3	1.4
ROBOR O/N*	2.64	3	-69	60
ROBOR 3M*	3.08	4	-1	-13

*change in basis points; **US\$ (data as at 06:32 GMT)

Source: Reuters, ING estimates



Author

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

ciprian.dascalu@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.