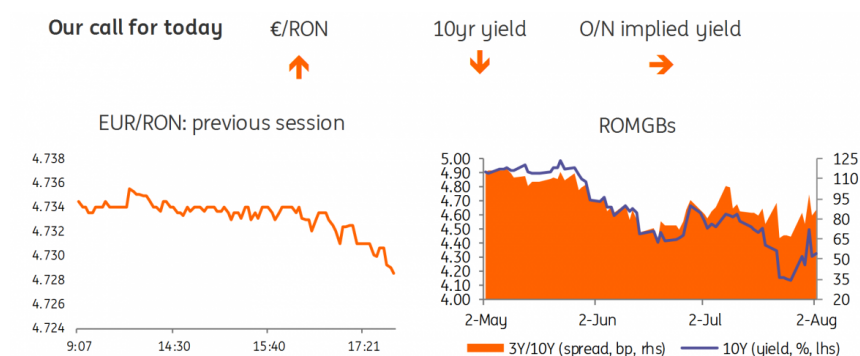


Briefing Romania

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



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)

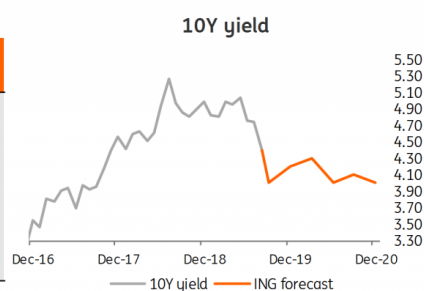
| | 3Q19 | 4Q19 | 1Q20 | 2Q20 | 3Q20 |
|--------------|------|------|------|------|------|
| ING forecast | 4.77 | 4.80 | 4.82 | 4.85 | 4.87 |
| FX Forward | 4.78 | 4.82 | 4.87 | 4.91 | 4.96 |

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



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