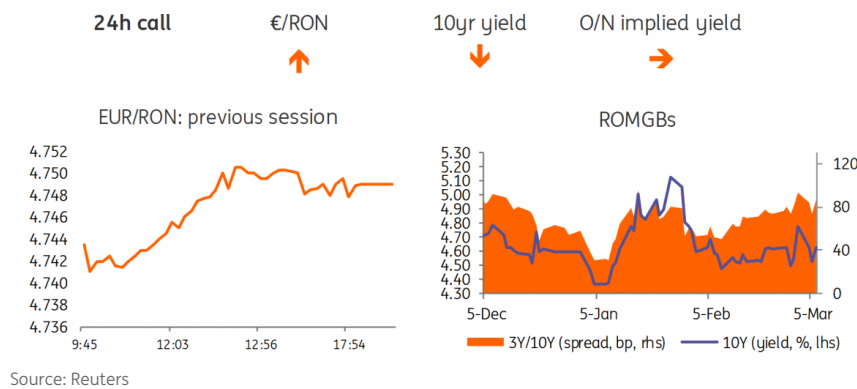


Briefing Romania

RON500 million T-bill maturing today



↑ EUR/RON

The EUR/RON trading range shifted in the upper part of the 4.7400-4.7500 interval, likely helped by the cheaper leu funding rates. Nevertheless, the low turnover does not point to meaningful upside pressure for now. We expect the same 4.7400-4.7500 range for today, with a possible test above 4.7500.

↓ Government bonds

Romanian government bonds continue to be supported by better bids across the curve. Today's expiry of a RON500 million 1Y paper likely generated some rollover demand as well. There

wasn't any fresh news yesterday regarding the bank levy and in particular the ROMGBs exemption from the taxable base.

➔ Money Market

Better liquidity conditions continue to push implied yields lower, with short dates now trading below the National Bank of Romania's key rate of 2.50%. This level could act as an anchor for a while as some market participants might expect the central bank to drain liquidity at the key rate level.

EUR/RON forecasts

	1Q19	2Q19	3Q19	4Q19	1Q20
ING forecast	4.75	4.75	4.80	4.80	4.82
FX Forward	4.76	4.84	4.88	4.93	4.97

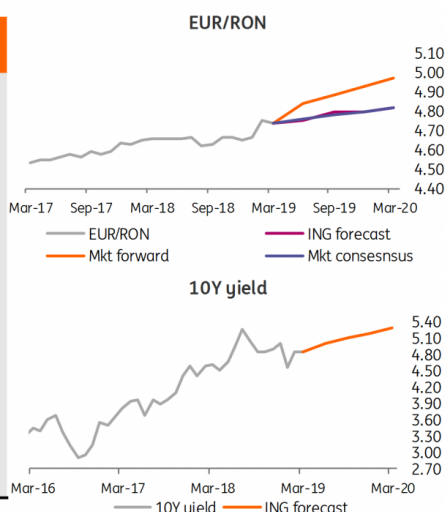
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7455	-0.1	-0.4	-0.1
EUR/PLN	4.2998	0.1	-0.5	0.3
EUR/HUF	315.5	-0.1	-0.3	-0.5
EUR/CZK	25.62	0.0	-0.1	-0.2
RO 5Y CDS*	105.5	-11	-11	0.6
ROBOR O/N*	2.75	-37.0	-81.0	-77.0
ROBOR 3M*	3.22	-4.0	-7.0	15.0
DAX	1620.7	0.2	1.0	4.3
S&P 500	2789.65	-0.1	0.4	2.9
DE 10Y*	0.14	0.8	2.2	-4.4
US 10Y*	2.70	0.0	6.5	-2.3
Gold (US\$)**	1290.6	0.1	-2.9	-1.6
Brent (US\$)**	65.5	0.3	0.2	4.7

*change in basis points; **US\$ (data as at 06:18 GMT)

Source: Reuters, Bloomberg, ING



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