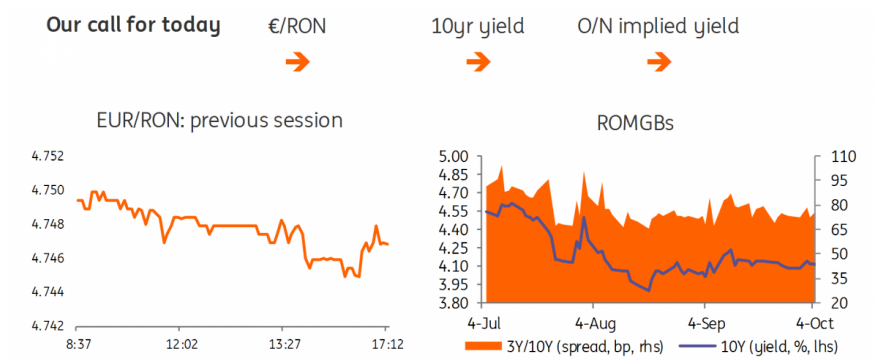


# Briefing Romania

RON500 million for sale in Aug-2022 auction



Source: Reuters

## EUR/RON

The Romanian leu seems to have found a new comfort zone for a while in the 4.7400-4.7550 range, with fundamentals limiting the downside and official offers the upside. Nevertheless, the market could turn volatile again as we are approaching the no-confidence vote scheduled for Thursday 10 October.

## Government bonds

The local bond market continues to benefit from the weak external data which increases expectations for more easing by the major central banks. The back-end of the yield curve inched another four to five basis points lower on a rather thin market. Today the Ministry of Finance auctions RON500 million in Aug-2022. The tenor is usually more suitable to local demand and we expect an average allocation towards the secondary market bids of 3.50%.

## Money market

Cash rates remained stable around 2.50%. Today's central bank deposit auction shouldn't see much higher demand than last week's RON1.58 billion.

### EUR/RON forecasts (eop)

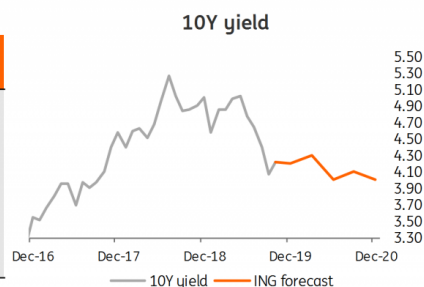
	4Q19	1Q20	2Q20	3Q20	4Q20
ING forecast	4.80	4.82	4.82	4.84	4.85
FX Forward	4.77	4.81	4.86	4.90	4.95

### Market radar

	Spot	1D	%Ch	
			1W	1M
EUR/RON	4.7460	-0.1	-0.2	0.3
EUR/PLN	4.3224	-0.2	-1.3	-0.4
EUR/HUF	332.33	0.0	-0.9	0.8
EUR/CZK	25.720	0.1	-0.5	-0.4
RO 5Y CDS*	91.0	0.0	0.0	3.1
ROBOR O/N*	2.46	-3	-32	-16
ROBOR 3M*	3.07	0	0	3

\*change in basis points; \*\*US\$ (data as at 06:29 GMT)

Source: Reuters, ING estimates



## Author

### Valentin Tataru

Chief Economist, Romania

[valentin.tataru@ing.com](mailto:valentin.tataru@ing.com)

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