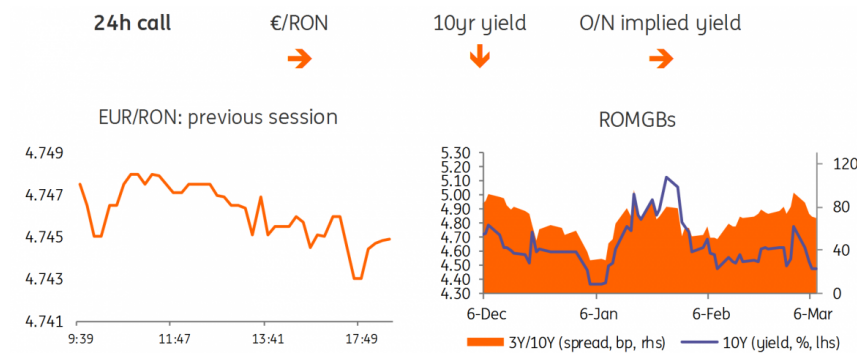


Briefing Romania

Range trading for the EUR/RON



Source: Reuters

➔ EUR/RON

Range trading again for the EUR/RON, with the 4.7400-4.7500 band quickly turning into an area of equilibrium. The downside potential seems limited by fundamentals while on the upside we are already close to historic highs. Hence, absent any major events, we look for the same range to hold.

⬇️ Government bonds

The Ministry of Finance plans to sell RON400 million of June 2023 bonds. We expect good demand as the tenor is suitable for a broad range of investors. Hence, the allocation could be upsized again

while yield-wise we look for an average around the secondary market offers of 4.07%.

➔ Money Market

Implied funding rates continued to trade below the 2.50% key rate, in an otherwise pretty calm market. The status quo will likely be maintained until the National Bank of Romania's decision on Monday on whether to hold a deposit auction.

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 | 4.89 | 4.93 | 4.98 |

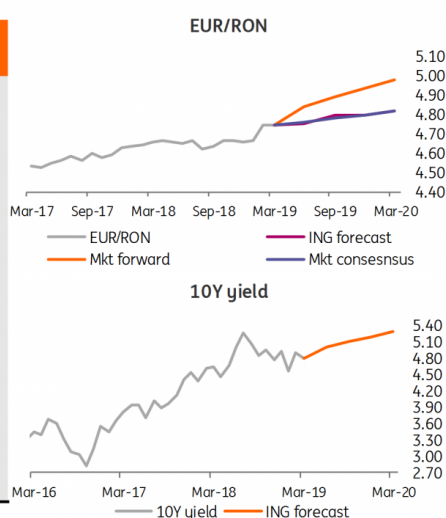
Source: Reuters, ING estimates

Market radar

| | Spot | %Ch | | |
|----------------|---------|------|-------|-------|
| | | 1D | 1W | 1M |
| EUR/RON | 4.7416 | 0.0 | 0.0 | 0.0 |
| EUR/PLN | 4.2974 | -0.1 | -0.4 | 0.2 |
| EUR/HUF | 35.36 | 0.0 | -0.3 | -0.7 |
| EUR/CZK | 25.584 | -0.1 | -0.2 | -0.5 |
| RO 5Y CDS* | 105.1 | -0.4 | -0.9 | 0.2 |
| ROBOR O/N* | 2.54 | -210 | -96.0 | -99.0 |
| ROBOR 3M* | 3.18 | -4.0 | -10.0 | 9.0 |
| DAX | 1687.6 | -0.3 | 12 | 2.3 |
| S&P 500 | 2771.45 | -0.7 | -0.2 | 1.8 |
| DE 10Y* | 0.13 | -3.7 | -2.8 | -4.0 |
| US 10Y* | 2.69 | -3.0 | -0.1 | -1.2 |
| Gold (US\$)** | 1284.6 | -0.1 | -2.7 | -2.3 |
| Brent (US\$)** | 66.2 | 0.2 | -0.5 | 6.7 |

*change in basis points; **US\$ (data as at 05:48 GMT)

Source: Reuters, Bloomberg, ING



Author

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

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