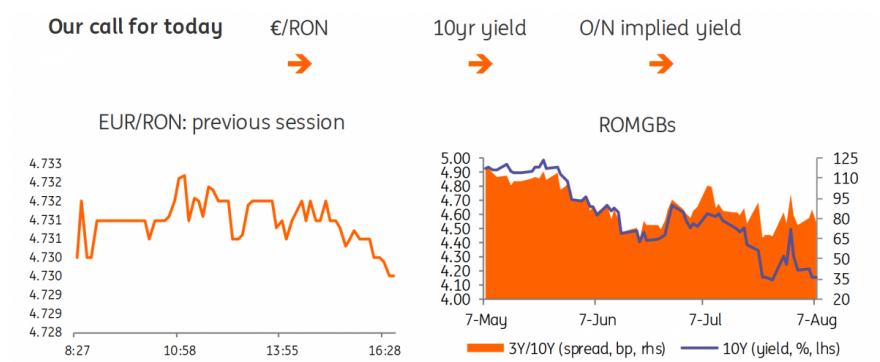


Briefing Romania

Primary market auction to test new low



Source: Reuters

EUR/RON

The EUR/RON closed the day little changed just below 4.7300 on low turnover. For today, we expect it to hover around this level.

Government bonds

With the core markets apparently engaged in a [race to the bottom](#), the spillover into emerging markets continues and Romanian government bonds are still benefiting from it. Longer end yields inched lower by some 10 basis points yesterday, more than reversing the little correction we saw in previous days. Today, the Ministry of Finance plans to sell RON400 million in Sep-2031 which still offers a nice yield pick-up in our view. To the extent the MinFin will not upsize the allocation, we could see the average yield inching below 4.30%.

We will also have a RON200million 1Y auction which generally doesn't gather much demand but given the small target amount it should turn out positively. We look for an average yield just above 3.00% for this one.

Money market

Cash rates remain anchored just above the key rate as liquidity conditions remain broadly balanced.

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	4.86	4.90	4.95

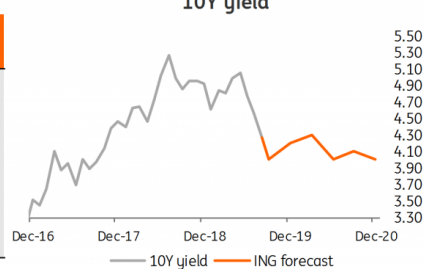
Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7290	-0.1	-0.1	0.1
EUR/PLN	4.3171	-0.1	0.4	1.4
EUR/HUF	325.58	-0.6	-0.6	0.3
EUR/CZK	25.752	-0.3	0.4	0.9
RO 5Y CDS*	88.5	-0.1	-1.2	0.2
ROBOR O/N*	2.60	-2	0	37
ROBOR 3M*	3.09	0	4	-9

*change in basis points; **US\$ (data as at 06:20 GMT)

Source: Reuters, ING estimates

10Y yield



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