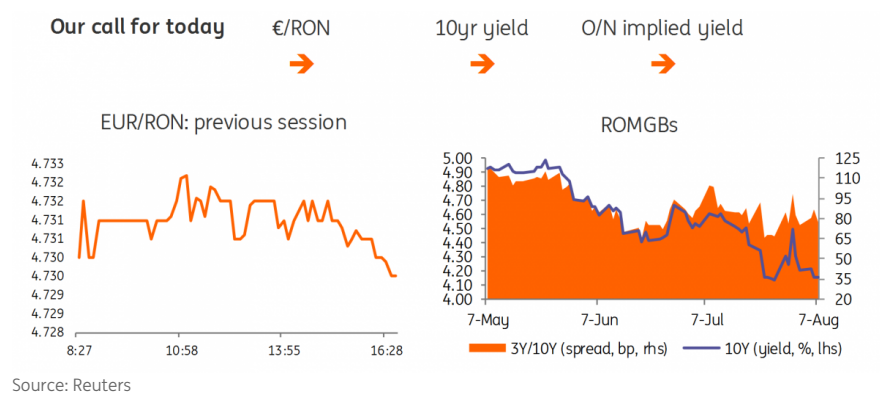


# Briefing Romania

Primary market auction to test new low



## 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

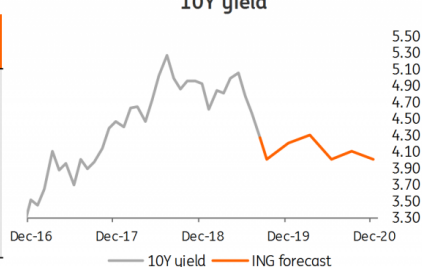
Market radar

	Spot	1D	%Ch 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



## Author

### Valentin Tataru

Chief Economist, Romania

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

### Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

[ciprian.dascalu@ing.com](mailto:ciprian.dascalu@ing.com)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial

instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit [www.ing.com](http://www.ing.com).