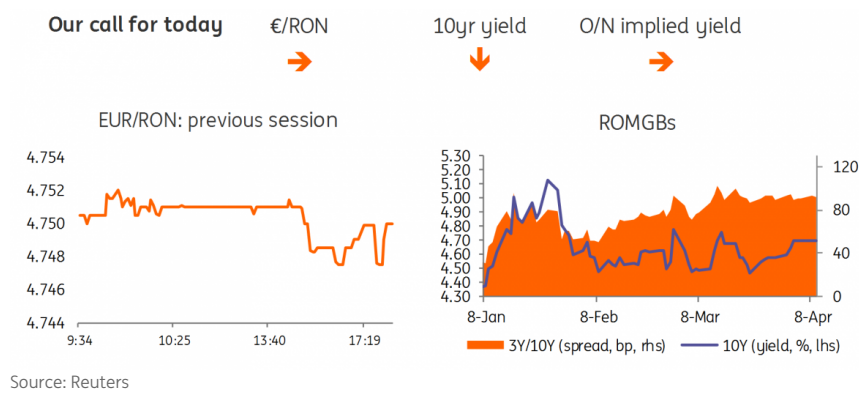


Briefing Romania

Slightly better liquidity conditions



➔ EUR/RON

Stability is the name of the game these days for the EUR/RON. The pair traded almost flat at 4.7500 for most of yesterday's trading session and closed marginally lower, around 4.7480.

↓ Government bonds

The RON500 million Aug-2022 auction came in pretty decent though our call was a touch bolder, at least demand-wise. Still, the 1.2x bid-to-cover and 3.98%/4.03% average and maximum yields made for a good result. Otherwise, the market doesn't seem to be following a trend these days. Today's minutes from the National Bank of Romania could stir things up a bit, as Governor Mugur

Isarescu was quite hawkish in the last press briefing.

➔ Money Market

In the money market, liquidity is slowly making its way back into the system, pushing the front-end implied yields below the 3.50% Lombard rate. The pace at which rates have been moving lower should diminish as we approach the 2.50% key rate, where the NBR stands ready to mop up any surplus liquidity.

EUR/RON forecasts (eop)

	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.77	4.78	4.85	4.87	4.88
FX Forward	4.80	4.85	4.91	4.95	4.98

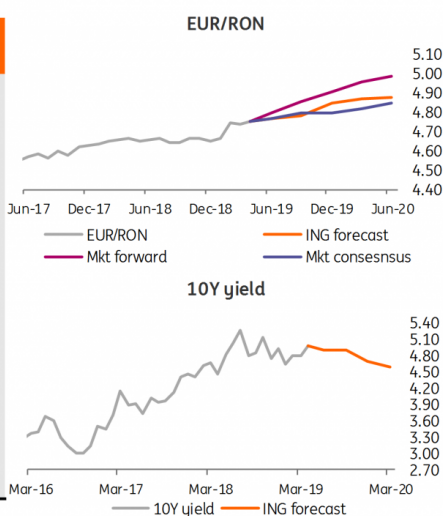
Source: Reuters, ING estimates

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7470	0.0	-0.3	0.1
EUR/PLN	4.2863	-0.1	-0.2	-0.4
EUR/HUF	32105	0.0	-0.2	19
EUR/CZK	25.615	-0.1	-0.6	-0.1
RO 5Y CDS*	109.9	0.0	0.0	6.0
ROBOR O/N*	3.3	-25.0	-6.0	148.0
ROBOR 3M*	3.32	-6.0	9.0	210
DAX	11963.4	-0.4	2.7	4.7
S&P 500	2895.77	0.1	15	6.1
DE 10Y*	0.01	-0.2	3.8	-6.2
US 10Y*	2.52	2.0	2.3	-10.5
Gold (US\$)**	1299.5	0.5	0.9	0.1
Brent (US\$)**	711	11	3.1	8.3

*change in basis points; **US\$ (data as at 05:45 GMT)

Source: Reuters, Bloomberg, ING



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