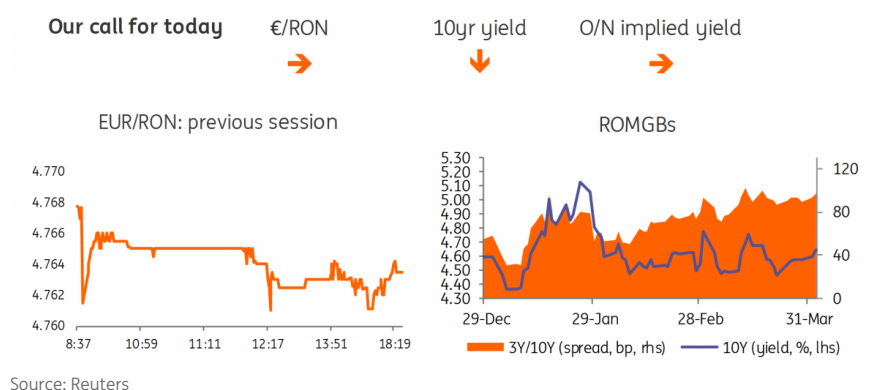


## Romania Briefing

The National Bank of Romania's press briefing is in focus



### ➔ EUR/RON

The EUR/RON traded in a tight 4.7600-4.7700 range yesterday on heavy turnover. Clustered trading at 4.7650 is indicative of official offers. With the upside limited by the NBR and the downside by the fundamentals, 4.7550-4.7650 range could hold in EUR/RON for today.

### ↓ Government bonds

ROMGBs' yield curve shifted higher yesterday with the weak auction for June-2023 bonds exacerbating the selling pressure. MinFin sold RON392.5m bonds, below the RON500m target, with total demand at RON443.5m. A dovish NBR today could be somewhat supportive for RON debt.

## ➔ Money market

Cash implied rate was little changed around 4.20% with the NBR not providing liquidity via an open market operation despite the shortage, likely aiming at discouraging positioning for a weaker RON. The 3M-1Y segment remained inverted from 4.00% to 3.75%. RON8.8bn bond redemption on 29 April should restore the equilibrium in liquidity, though large quarterly payments to the state budget ahead of it are likely to lead to another squeeze.

### EUR/RON forecasts (eop)

	2Q19	3Q19	4Q19	1Q20	2Q20
ING forecast	4.77	4.78	4.85	4.87	4.88
FX Forward	4.81	4.86	4.91	4.96	4.99

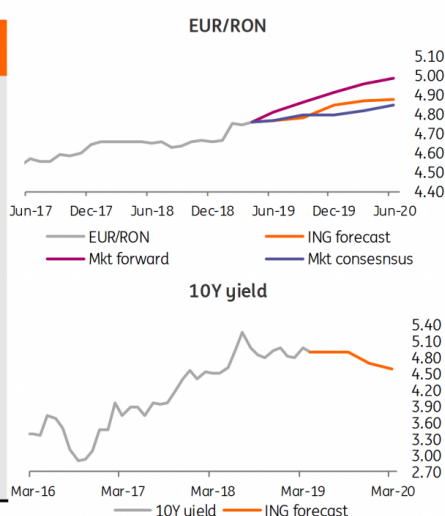
Source: Reuters, Bloomberg, ING

### Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7611	-0.1	0.1	0.3
EUR/PLN	4.2972	-0.2	0.1	-0.1
EUR/HUF	32168	0.2	17	18
EUR/CZK	25.771	-0.2	0.1	0.6
RO 5Y CDS*	109.9	0.0	3.6	3.4
ROBOR O/N*	3.45	0.0	-12.0	18.0
ROBOR 3M*	3.23	0.0	0.0	-5.0
DAX	11682	13	3.3	10
S&P 500	2867.19	12	3.0	2.8
DE 10Y*	-0.04	4.5	-12	-22.2
US 10Y*	2.48	8.3	5.8	-27.9
Gold (US\$)**	1287.9	-0.3	-2.6	-0.4
Brent (US\$)**	69.1	2.1	3.5	6.2

\*change in basis points; \*\*US\$ (data as at 09:24 GMT)

Source: Reuters, ING estimates



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