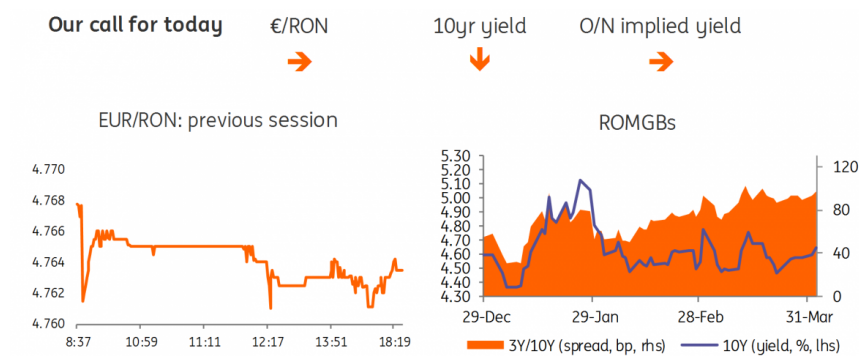


Romania Briefing

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



Source: Reuters

➔ 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

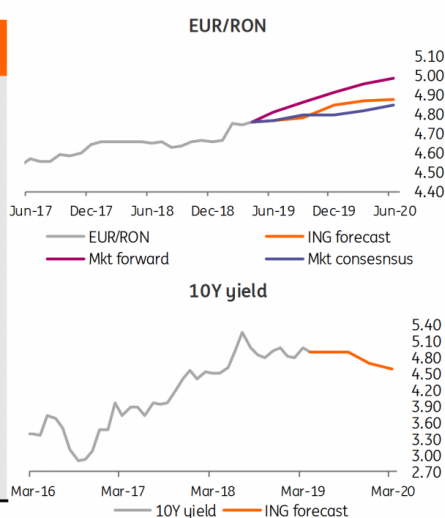
Source: Reuters, Bloomberg, ING

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	-2.0	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



Author

Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

ciprian.dascalu@ing.com

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

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