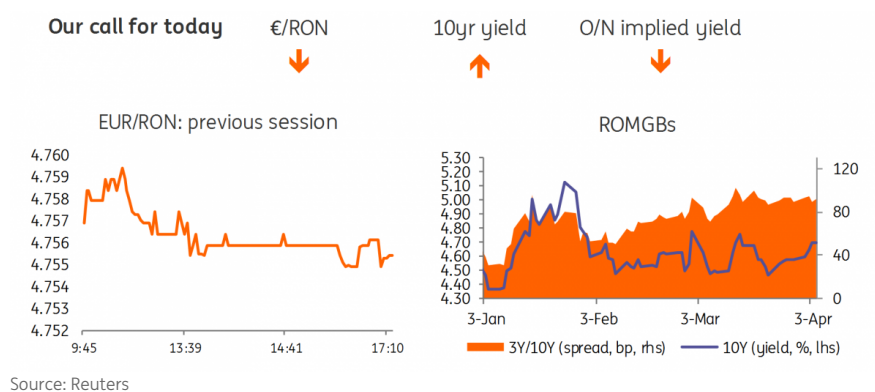


Romania Briefing

EUR/RON drops further on high carry



↓ EUR/RON

The EUR/RON dropped further on below average turnover, closing near 4.7550. Carry remains high and we could see a test lower at 4.7500 today.

↑ Government bonds

The ROMGBs curve continued to bear flatten post NBR firm liquidity management commitment with the front-end under selling pressure, while the long-end was little changed. MinFin auctions today RON200m in Sep-31 bond, the longest maturity on the curve, which could see a cut-off yield around 5.30%.

Money market

Funding implied yields stabilised at around 4.35% yesterday, with the 3M-1Y segment still inverted.

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

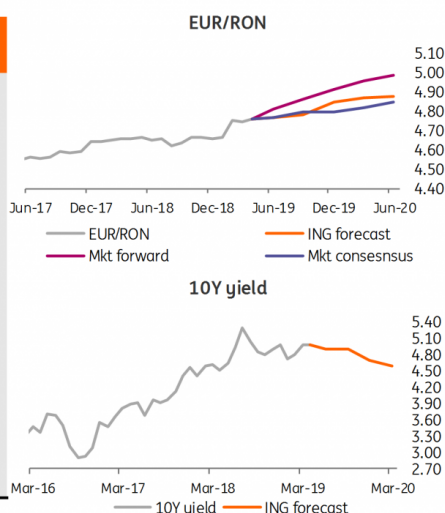
Source: Reuters, Bloomberg, ING

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7530	-0.1	-0.1	0.2
EUR/PLN	4.2928	-0.2	0.0	-0.2
EUR/HUF	319.75	-0.4	-0.1	1.3
EUR/CZK	25.705	-0.1	-0.2	0.3
RO 5Y CDS*	109.9	0.0	3.6	4.4
ROBOR O/N*	3.54	6.0	8.0	79.0
ROBOR 3M*	3.34	11.0	11.0	12.0
DAX	1154.4	1.7	5.0	3.2
S&P 500	2873.4	0.2	3.0	3.6
DE 10Y**	0.01	4.8	8.9	-15.9
US 10Y**	2.52	3.8	14.3	-20.7
Gold (US\$)**	1292.6	-0.2	-1.3	0.4
Brent (US\$)**	69.3	-0.1	3.0	5.1

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

Source: Reuters, ING estimates



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