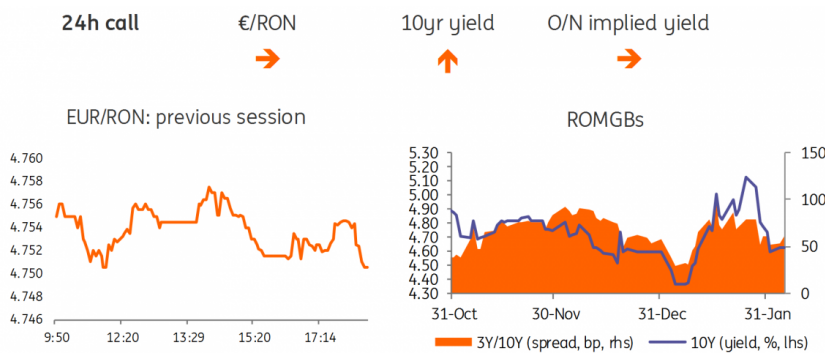


Briefing Romania

The Ministry of Finance releases its February issuance calendar



Source: Reuters

➔ EUR/RON

The EUR/RON traded in a tight range yesterday on average turnover, closing the day just above the 4.7500 level. The National Committee for Macprudential Oversight meeting to discuss the tax on bank financial assets decided to create a working group which will present its conclusion at the next meeting scheduled for 18 February. We look for a 4.7450-4.7600 range for the EUR/RON today.

⬆ Government bonds

The Romanian government bond curve steepened yesterday as long end yields inched up c.6-7bps

likely on some profit taking. Later in the day, the MinFin published its issuance calendar for February, somewhat contrary to the recent official statements. The calendar is very light in terms of supply with RON1.5 billion in T-bonds spread across maturities and RON0.4 billion in T-bills up for sale.

➔ Money market

Front-end implied yields are coming under renewed upward pressure with cash rates up c.40-50 basis points as liquidity is yet to return to the market. The paying contagion spread up to the 3M tenor, with the rest of the curve up to 1Y inverted.

EUR/RON forecasts

| | 1Q19 | 2Q19 | 3Q19 | 4Q19 | 1Q20 |
|--------------|------|------|------|------|------|
| ING forecast | 4.75 | 4.75 | 4.80 | 4.80 | 4.82 |
| FX Forward | 4.79 | 4.83 | 4.88 | 4.93 | 4.98 |

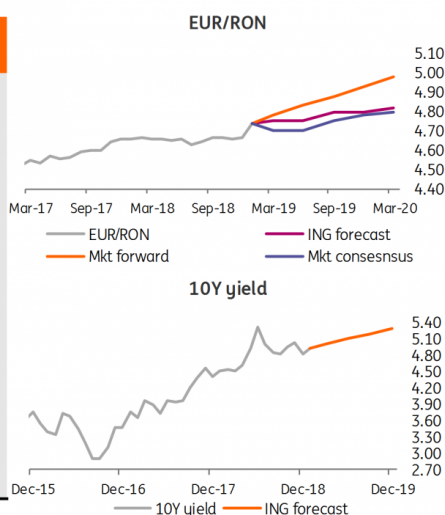
Source: Reuters, ING estimates

Market radar

| | Spot | %Ch | | |
|----------------|---------|------|------|------|
| | | 1D | 1W | 1M |
| EUR/RON | 4.7525 | 0.0 | -0.5 | 2.0 |
| EUR/PLN | 4.2840 | -0.1 | -0.2 | -0.2 |
| EUR/HUF | 317.25 | -0.1 | 0.0 | -1.1 |
| EUR/CZK | 25.672 | -0.1 | -0.3 | 0.4 |
| RO 5Y CDS* | 104.9 | 0.1 | 18 | -0.2 |
| ROBOR O/N* | 3.52 | 4.0 | -10 | 98.0 |
| ROBOR 3M* | 3.07 | 10 | -4.0 | 10.0 |
| DAX | 1176.6 | 0.0 | 0.0 | 4.1 |
| S&P 500 | 2724.87 | 0.7 | 3.6 | 8.2 |
| DE 10Y** | 0.17 | 14 | -3.3 | -3.4 |
| US 10Y** | 2.72 | 3.3 | -2.1 | 6.4 |
| Gold (US\$)** | 1313.6 | -0.5 | 0.8 | 2.2 |
| Brent (US\$)** | 62.6 | -0.4 | 4.7 | 9.5 |

*change in basis points; **US\$ (data as at 05:25 GMT)

Source: Reuters, Bloomberg, ING



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