

Macroprudential Oversight press release did not mention any follow-up meeting or timeline for the “identified solutions for possible scenarios to adapt” the government emergency decree on the bank levy, we could see the market trimming expectations for possible changes according to NBR suggestions to the tax bill.

Money market

The implied funding rates inched higher to 7.00% as we approach the end of the reserve maintenance period and this pushed yields up by c100 basis points up to 1M. The money market curve inverted even more as the upward shift was less ample for longer tenors. A RON5.9 billionn bond redemption on 25 February could offer some relief though it might be offset by payments to the state budget on the same day.

EUR/RON forecasts

	1Q19	2Q19	3Q19	4Q19	1Q20
ING forecast	4.75	4.75	4.80	4.80	4.82
FX Forward	4.81	4.80	4.90	4.94	4.99

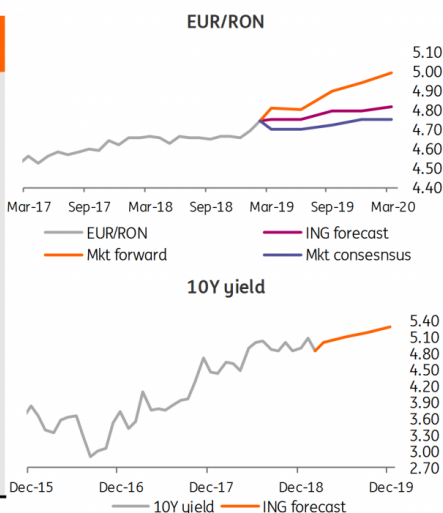
Source: Reuters, Bloomberg, ING

Market radar

	Spot	%Ch		
		1D	1W	1M
EUR/RON	4.7475	0.1	0.0	0.8
EUR/PLN	4.3313	0.0	0.0	1.1
EUR/HUF	317.44	-0.2	-0.2	0.0
EUR/CZK	25.675	-0.2	-0.7	0.4
RO 5Y CDS*	106.6	0.6	14	3.6
ROBOR O/N*	3.68	8.0	13.0	19.0
ROBOR 3M*	3.19	5.0	10.0	22.0
DAX	1609.2	0.1	2.0	19
S&P 500	2779.76	0.2	18	5.0
DE 10Y*	0.11	-0.9	-2.4	-5.2
US 10Y*	2.64	264.5	-3.9	264.5
Gold (US\$)**	1342.7	1.1	2.5	4.9
Brent (US\$)**	66.4	-0.1	6.4	6.1

*change in basis points; **US\$ (data as at 06:31GMT)

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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