

Romania joins states that issue sovereign bonds to take advantage of low interest rates (Bloomberg)

Romania has decided to return to the international bond markets at a time when it is increasing its spending on infrastructure projects and support measures in the context of the Covid-19 crisis, Bloomberg reports.

In its first exit on the international markets this year, Romania offers bonds with a maturity of 12 years, for which the interest rate is approximately 225 basis points above midswap, as well as bonds with a maturity of 20 years, for which the interest rate is approximately 265 basis points over midswap, informs Bloomberg citing a source close to this case.

Romania thus joins several sovereign bond issues that also take place on Wednesday, both Italy and Portugal being on the market in an attempt to take advantage of the relatively low interest rates today and which would increase due to the recovery of the economy.

According to Bloomberg, Romania intends to raise about 7.4 billion euros this year from issuing Eurobonds, as it targets the construction of motorways and aid for industries affected by the pandemic.

"Considering they will have to tap international markets probably three times this year, it was about time for Romania to sell Eurobonds," said ING economist Valentin Tataru.