INVESTIGATION ON THE POTENTIAL MANIPULATION OF ROBOR INTEREST RATES

Miruna-Mihaela VASILCA, PhD Student,
University of Economic Studies, Bucharest, Romania
ID ORCID:0000-0001-8385-534, miruna.vasilca@bnro.ro
Alin Ioan VID, PhD Student,
University of Economic Studies, Bucharest, Romania
George ANTON, PhD Student,
University of Economic Studies, Bucharest, Romania

Recently observers have expressed concerns that the ROBOR benchmark interest rates may not accurately reflect the costs of interbank lending. ROBOR rates are reference indices for variable interest loans granted to both individuals and corporate clients, but also for derivative financial contracts that has ROBOR as the underlying asset. Therefore, the impact of ROBOR's relevance is reflected in a much wider range of financial products addressed to the population, which will bear all the changes related to its volatility. Therefore, the importance of the evolution and variation of this index is indisputable from the perspective of end-consumers of banking products.

This paper examines a possible manipulation of the prices of interbank deposits. In order to evaluate the evolution of the relevant ROBOR rates from the perspective of the existence of a market manipulation behaviour, for the period July 2, 2018 - April 4, 2022, two scenarios were analysed: i) a cartel agreement colluded between two or more participants in order to obtain an additional financial income related to the loan portfolio indexed to ROBOR; respectively ii) a cartel agreement colluded between two or more participants in order to use inside information regarding the monetary policy decisions of the National Bank of Romania (NBR).

Analysing the hypotheses of the two scenarios, we conclude that there are no indications of a possible manipulation of ROBOR interest rates by tacit agreements between participants at Fixing or by using inside information on monetary policy decisions of the NBR.

Keywords: Romanian Interbank Offer Rate (ROBOR), Benchmark interest rates, Market abuse, Market manipulation, Inside information, Cartel

JEL: E4, E43.
UDC: 336.71(498)