

Macroeconomic and Strategic Analysis

UniCredit Weekly Report



The Romanian parliamentary elections on 1 December showed a fragmented vote

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Weekly briefing

In the US, President-elect Donald Trump announced his intent to impose a **25% tariff on all goods coming from Mexico and Canada** and an additional **10% tariff on China** until the Chinese government clamps down on drug smuggling, particularly of fentanyl. The **Fed minutes of the 6-7 November meeting** showed that officials favor a “gradual” approach to removing policy restraint. UniCredit expects the Fed to cut by **25bp in December or January**. The **house price index rose by 0.7%mom** in September 2024, up from August's 0.4%mom. **Core PCE inflation** (the Fed's preferred measure of inflation) **increased by 0.3%mom in October**, the same pace as in September. **On an annual basis, the core PCE inflation increased to 2.8%yoy in October**.

In the eurozone, the **consumer confidence final indicator fell by 1.2 to -13.7** in November, below expectations and its historical average, unchanged from the flash indicator last week. **The economic sentiment indicator (ESI) increased to 95.8 points in November** from an upwardly revised 95.7 in October. **Flash eurozone headline inflation accelerated to 2.3%yoy in November, marking the second increase in the last two months** due to base effects, as last year's sharp declines in energy prices are no longer accounted for. **The German Ifo Business Climate Index declined to 85.7 in November** from 86.5 in the previous period as the expectation of higher US tariffs next year weighed on export-dependent manufacturers. **The GfK consumer confidence indicator decreased to -23.3 heading in December** from -18.3, reaching the lowest point since May. **Retail sales in Germany fell by 1.5%mom in October 2024**, after an upwardly adjusted +1.6% in September.

In Romania, the **stock of non-governmental loans increased at a slower pace by 0.7%mom in October 2024** (vs. +1.3%mom in September), due to the **1.1%mom increase of the loans denominated in RON** and a **-0.3%mom fall of the foreign currency credits**. **On a yearly basis, the growth pace of the non-governmental loans accelerated to 8.9%yoy** (from 8.4%yoy in September), mainly due to RON loans (+11.7%yoy), while **FX loans increased modestly by 3.0%yoy**. **The budget execution for the first ten months of 2024 showed a deficit of 6.19% of GDP** (RON 109.42bn), compared to a 3.91% of GDP deficit reported in the first ten months last year. **The Romanian parliamentary elections on 1 December showed a fragmented voting, with 7 parties entering the Parliament. The discussions for forming a government will start soon and could last until 21 December, when the mandate of President Klaus Iohannis will end.**

This week, the **data release calendar is busy**. The important external releases are the **ISM surveys in the US** (Monday and Wednesday), together with the release of the **Beige Book** (Wednesday) and of other **labor-market statistics in the US** ahead of jobs data (the Job Openings and Labor Turnover Survey and the ADP Research Institute's employment survey). **In Europe** we will face the **factory-order** (Thursday) and **industrial-production data** (Friday) **from Germany**, while the **ECB President Lagarde will testify before the European Parliament** on Wednesday. At the same time, **Fed Chair Powell's speech** will likely attract market interest later in the week. **In Romania**, the **international reserves** and the **BCR manufacturing PMI** are likely to show decreases in November, while the **unemployment rate** was likely flat in October (Monday). **Producer prices** (Tuesday) probably tempered their annual drop in October, while **retail sales** (Thursday) maintained their growth close to 10%yoy. On Friday, **3Q24 GDP growth** is likely to be confirmed at 1.1%yoy.

Data spotlight: 25 – 29 November

CURRENCIES - MAJORS

Currencies	Last	1D ch (%)	1M ch (%)
EURUSD	1.0515	-0.63%	-3.15%
EURCHF	0.93	-0.08%	-1.06%
USDJPY	150.22	0.48%	-2.07%
GBPUSD	1.2706	-0.27%	-1.97%

CURRENCIES - CEE

Currencies	Last	1D ch (%)	1M ch (%)
EURPLN	4.2920	-0.19%	-1.47%
EURHUF	414.20	0.41%	1.66%
EURCZK	25.27	-0.12%	-0.30%

CURRENCIES - NBR REFERENCE

Currencies	EUR	USD	SDR	XAU (1g)
2-Dec	4.9771	4.7129	1.2948	0.6055

CURRENCIES - RON

	EURRON	USD RON
2-Dec	4.977	4.733
29-Nov	4.976	4.705
28-Nov	4.977	4.716

FIXED INCOME MARKET YIELDS - LOCAL

Mid-rate	1Y	3Y	5Y	10Y
2-Dec	6.0	6.9	6.9	7.2
29-Nov	6.0	6.9	6.9	7.3
27-Nov	5.7	6.8	6.9	7.2

MONEY MARKET RATES - LOCAL

ROBOR	ON	1M	3M
2-Dec	5.77	5.80	5.90
29-Nov	5.78	5.80	5.90
28-Nov	5.78	5.80	5.89

MONEY MARKET RATES - MAJORS

Euribor	1M	3M	6M
29-Nov	3.00	2.93	2.70
28-Nov	3.02	2.94	2.71
27-Nov	2.98	2.91	2.69
USDSFOR	1M	3M	6M
29-Nov	4.67	4.91	5.17
28-Nov	-	-	-
27-Nov	4.68	4.93	5.18

STOCK MARKETS

Index	Last	1D ch (%)	1M ch (%)
S&P 500	6,032.4	0.56%	3.42%
FTSE	8,281.7	-0.07%	1.28%
Hang Seng	19,550.3	0.65%	-4.66%
Bucharest BET	16,702.9	2.19%	-4.39%

Romanian Economy

■ Romanian parliamentary elections show fragmented vote

The Romanian parliamentary elections on 1 December showed a fragmented vote, with 7 parties entering the Parliament. According to the Central Electoral Bureau after counting 84.29% of the voting sections by 12:00, the vote distribution for the Chamber of Deputies is: the Social Democratic Party (PSD) 22.00%, the Alliance for the Union of Romanians (AUR) 17.69%, the National Liberal Party (PNL) 13.28%, the Save Romania Union (USR) 12.17%, S.O.S. Romania 7.14%, the Hungarian Minority Party (UDMR) 7.08%, the Party of Young People (POT) 6.32% and SENS (Health, Education, Nature, Sustainability) 2.96%. The vote distribution for the Senate is similar: PSD 22.28%, AUR 18.09%, PNL 14.35%, USR 12.04%, S.O.S. 7.62%, UDMR 7.05%, POT 6.18% and SENS 2.77%. The discussions for forming a government will start soon, with no clear indication for the future coalition based on the initial declarations. The negotiations could take several weeks, given that the mandate of President Klaus Iohannis will end on 21 December, with the new president likely to name the Prime Minister afterwards. The Romanian Constitutional Court still needs to decide whether it validates the first round of the presidential elections. If it validates the first round, the second round of Presidential elections will take place on 8 December. In case it decides to repeat the first round, this will likely take place on 15 December, with the second round on 29 December.

Data spotlight: 25 – 29 November**Romanian Economy (continued)****■ Loans and deposits accelerated their yearly growth in October**

The stock of non-governmental loans increased at a slower pace, by 0.7%mom in October 2024 (vs. +1.3%mom in September), due to the 1.1%mom increase of the loans denominated in RON and a -0.3%mom fall of the foreign currency credits. On a yearly basis, the growth pace of the non-governmental loans accelerated to 8.9%yoy (from 8.4%yoy in September), mainly due to RON loans (+11.7%yoy), while FX loans increased modestly by 3.0%yoy. The outstanding loans of households in local currency slightly accelerated to 1.2%mom, while the foreign component continued its descent (-1.8%mom). Companies' loans halved their growth in September for the RON component, to 1.0%mom (from 2.1%mom in September) while the foreign currency component remained almost unchanged from last month. In yearly terms, lending accelerated both for individuals to 8.4%yoy, (mainly due to consumer loans up strongly by +15.8%yoy, while mortgage rose by only 3.5%yoy) and for companies, to 9.4%yoy. On the deposits' side, the total savings of the residents rose by a significant 1.2%mom (after 0.6%mom in September) following a significant acceleration of deposits from companies to 1.3%mom (from 0.3%mom in September). The yearly growth pace of total deposits accelerated to 9.8%yoy (from 8.6%yoy in September), as the companies' savings almost doubled their growth pace (+7.1%yoy vs. 4.4%), while the individuals' savings maintained their double-digit growth (+11.6%yoy).

■ The budget deficit rose to 6.19% of GDP at the end of October 2024

The budget deficit for the first ten months of 2024 showed a deficit of 6.19% of GDP (RON 109.42bn), compared to a 3.91% of GDP deficit reported in the first ten months last year. The growth of revenue and expenditure quickened slightly to 13.1%yoy in 10M24 (from 13.0%yoy in 9M24) and to 21.0%yoy (from 20.7%yoy), respectively. The previous drivers of revenue growth were unchanged, with the highest contribution coming from fiscal revenues (+RON 31.4bn; +14.9%yoy) thanks to an increase of revenues from VAT (+RON 14.4bn) and income tax (+RON 7.4bn), followed by social insurance contributions (+RON 26.1bn; +20.0%yoy), EU funds (+RON 12.8bn; +462%yoy) and PNRR funds (+RON 4.2bn, +457.9%). On the expenditure side, the highest increases in nominal terms were seen for the personnel expenses (+RON 25.7bn; +23.8%yoy) followed by social assistance (+RON 24.0bn; +14.9%yoy), and capital expenditure (+RON 21.2bn; +75.9%yoy), while projects financed from non-reimbursable external funds recorded a jump (RON 15.8bn, 448.6%yoy). According to recent Medium-term plan published the Ministry of Finance the full year deficit forecasted for 2024 is 7.9% of GDP, which surpasses considerably the 5% target set initially.

Data spotlight: 25 – 29 November

European Economy

■ **The German Ifo Business Climate Index declined more than expected in November**

The German Ifo Business Climate Index declined to 85.7 in November from 86.5 in the previous month and below the consensus expectation of 86.0. The major trigger was the expectation of higher US tariffs next year, which probably weighed on export-dependent manufacturers. The current conditions subcomponent decreased to 84.3 from 85.7 and the business expectations was slightly down to 87.2 from 87.3. Sentiment deteriorated in services as well. Last month, the Ifo Business Climate Index increased for the first time after four consecutive declines.

■ **The GfK consumer confidence in Germany decreased in December**

The GfK consumer confidence indicator decreased to -23.3 in December from -18.3 in November, below the forecasts of -18.6, and reaching the lowest point since May. Income expectations experienced a significant decline, decreasing by 17.2 points to reach a nine-month low of -3.5, driven by concerns over a recession, increasing unemployment rates, and lower growth projections. Worries regarding job stability, layoffs in industries, and rising insolvencies are contributing to heightened uncertainty. The inclination to make purchases also decreased, dropping 1.3 points to -6, which is even lower than during the early stages of the pandemic. An increase in savings intentions (up by 4.7 points) further enforced the outlook. The economic forecasts continue to show a gloomy trend, as the economic indicator has decreased to -3.6 points, marking its fourth consecutive drop.

■ **Retail sales in Germany fell by 1.5% in October**

Retail sales in Germany fell by 1.5%mom in October 2024, after an upwardly adjusted +1.6%mom in September, significantly worse than expectations of a 0.3% decline. Sales of non-food products dropped by 2.2%mom and online and mail orders by 2.4%mom while food sales increased slightly by 0.1%mom. Compared to the same month last year, retail sales tempered their growth to 1%yoy from 4.2%yoy.

■ **Final eurozone consumer confidence deteriorated in November**

The consumer confidence final indicator in the eurozone fell by 1.2 to -13.7 in November, below expectations and its historical average, remaining unchanged from the flash indicator last week. In the European Union, sentiment declined as well by 1.1 to -12.4. Household sentiment has improved slowly but steadily over the last year, approaching its long-term average and moving closer to the levels prevailing before the beginning of the war in Ukraine. Slower inflation and a resilient labor market have been the main drivers. With the inflation shock behind us, the future trend in consumer confidence is likely to be largely determined by labor market conditions.

Data spotlight: 25 – 29 November

European Economy (continued)

■ The optimism in Eurozone increased slightly in November

The economic sentiment indicator (ESI) in Eurozone increased to 95.8 points in November from an upwardly revised 95.7 in October, beating forecasts [UniCredit: 95.0; consensus: 95.1]. The slight upturn in the ESI for the EU was driven mainly by higher confidence in industry and in retail trade, which was partially offset by lower confidence in services and consumers. Confidence in construction remained unchanged. Within the largest economies in the EU, the Economic Sentiment Indicator (ESI) showed improvements in France (+3.0), Spain (+2.1), the Netherlands (+1.5), and Poland (+0.7). However, there was a slight decrease in Germany (-1.3) and, to a lower degree, in Italy (-0.3).

■ Flash eurozone inflation accelerated to 2.3% in November

Flash eurozone headline inflation accelerated to 2.3%yoy in November, marking the second increase in the last two months. This increase was expected due to base effects, keeping in mind last year's sharp declines in energy prices are no longer accounted for into the annual rates. Energy prices dropped 1.9% while the cost for non-energy industrial goods rose 0.7%. Conversely, inflation slowed down for services (3.9% vs. 4% in October) and for food, alcohol, and tobacco (2.8% vs. 2.9%). In the meantime, core inflation stayed at 2.7%, unchanged from the prior month and against predictions that it would also increase to 2.8%. In relation to the previous month, the CPI decreased 0.3%, reversing the 0.3%mom increase in October.

■ On the matter of tariffs, the ECB prefers to negotiate with the US instead of retaliating

Speaking in an interview with the Financial Times about the risk of a trade war, ECB President Christine Lagarde said that it would be preferable for the EU to negotiate with the US instead of retaliating. Ms. Lagarde suggested that the EU could commit to buying more products made in the US, such as LNG and defense equipment. She also said that a trade war would be “in nobody’s interest” and would reduce growth in global GDP. For the eurozone, US tariffs might be, if anything, “a little net inflationary in the short term”, depending on the effect on growth and the exchange rate. But, she added, “you could argue both ways”, depending on what tariffs are applied and over what time span.

Data spotlight: 25 – 29 November

US Economy

■ **New potential US tariffs**

Writing on his web platform, President-elect Donald Trump said that immediately after his inauguration he would sign an executive order imposing a 25% tariff on all goods coming from Mexico and Canada. He also said an additional 10% tariff would be levied on China until the Chinese government clamps down on drug smuggling, particularly of fentanyl.

■ **Fed minutes show that officials favor a “gradual” approach to removing policy restraint**

Last week, the minutes of the FOMC’s 6-7 November meeting showed that officials favor a “gradual” approach to removing policy restraint, with many participants noting that downside risks to the labor market had diminished somewhat according to recent data. The minutes said, “If the data came in about as expected, with inflation continuing to move down sustainably to 2 percent and the economy remaining near maximum employment, it would likely be appropriate to move gradually toward a more neutral stance of policy over time.” This was because of “uncertainties concerning the level of the neutral rate of interest”. While it is not completely clear what pace would constitute “gradual” after the 50bp cut in September and 25bp cut in November, UniCredit suspects it means the central bank would cut by 25bp in December or January but not in both months, and it still thinks a December cut is more likely than not.

■ **The US house price index rose in September**

In September 2024, the House Price Index in the United States rose 0.7%mom, up from August’s +0.4%mom. The House Price Index in the United States has had an average of 0.36% during 1991-2024, with a peak at 1.8%mom in August 2020 and a minimum at -1.8%mom in November 2008.

■ **US core PCE inflation rose by 0.3%mom in October**

Core PCE inflation (the Fed’s preferred measure of inflation) increased by 0.3%mom in October, the same pace as in September and matching forecasts [UniCredit: 0.3; consensus: 0.3]. On an annual basis, the core PCE inflation increased to 2.8%yoy in October, in line with indications Fed Chair Powell gave in a speech on 14 November, in which he said that such a rate would be somewhat higher than that which the Fed had anticipated before the release of the October CPI and producer-price-index reports. The personal consumer expenditure decelerated slightly to 0.4%mom from a revised 0.6%mom in September. Personal income rose to 0.6%mom in October, double the expected pace [UniCredit and consensus: 0.3].

Data spotlight: 25 – 29 November

International and Romanian Markets

■ **The EURRON was relatively stable last week**

The EURRON traded within a narrow range for the fourth week (4.9759-4.9780) and ended Friday's trading session close to the lower bound of the interval, at 4.9762, 10bp below the end of the previous week. In light of the busy calendar on the political front, the pair is likely to remain under upward pressure.

■ **The ROBOR curve continued the upward shift last week**

The ROBOR rates rose further by up to 18 bp along the curve last week, due to lower excess liquidity and a risk-off market sentiment given the political uncertainty. According to the latest data published by the NBR, the excess liquidity had decreased by RON 12.6bn in October versus September, to RON 26.9bn, and is probably much lower currently. The O/N-1W segment closed last week up by 10bp at 5.78%/5.79%, while the 1M-3M segment was up by 18bp, at 5.79%-5.93%. Thus, the 3M ROBOR is almost halfway in between the key rate and the deposit facility.

■ **MinFin auctions**

Last Monday, the Ministry of Finance held an auction for a T-bond with residual maturity of 3.4 years. The bids came short of the planned amount, at RON 197.1mn vs. RON 600mn, resulting in no placement. The result was caused by the risk-off sentiment which became visible in the market two weeks ago coupled with the prospects of high political uncertainty going forward following the unexpected result at the first round of presidential elections.

On Tuesday, the MinFin held an auction for a T-bill with maturity of 3 months. The bids more than covered the planned amount, at RON 865.9mn vs. RON 500mn, resulting in a RON 500mn placement. The average accepted yield was 6.26% (max. 6.28%).

On Wednesday, the MinFin held auctions for an EUR-denominated T-bond with maturity of 2 years and an EUR-denominated T-bill with maturity of 1 year. For the bond the bids covered the planned amount, at EUR 177.5mn vs. EUR 150mn, enabling MinFin to place EUR 150mn. The average accepted yield was 3.5% (max. 3.5%). For the T-bill, the bids were EUR 277.7mn vs. EUR 150mn, enabling MinFin to place EUR 198.3mn.

On Thursday, the MinFin held an auction for T-bonds with residual maturity of 13.3 years. The bids more than covered the planned amount, at RON 704.6mn vs. RON 500mn, resulting in a 500mn placement. The average accepted yield was 7.31% (max. 7.32%), which is 40bp higher than last month's reopening level.

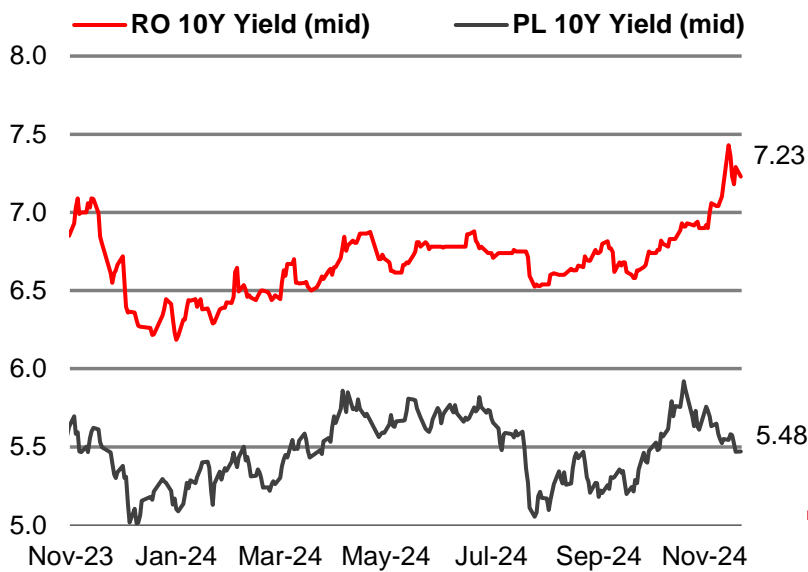
Data spotlight: 25 – 29 November**International and Romanian Markets continued****■ FX markets**

In FX, data releases in the US, culminating with the employment report for November, which is scheduled to be released on Friday, are set to dominate the scene this week. The USD has lost part of the strength it gained following the election victory of former US President Donald Trump last month but remains sufficiently firm, with the EUR-USD close to 1.05.

Mixed ISM surveys in the US (today and on Wednesday) might add to intraday volatility, together with the release of the Beige Book and of other labor-market statistics in the US ahead of jobs data (the Job Openings and Labor Turnover Survey and the ADP Research Institute's employment survey). A rebound in nonfarm payrolls from a mere 12k net jobs having been created in October might offer the greenback some support. Factory-order and industrial-production data from Germany might thwart further recovery by EUR-USD. ECB President Lagarde will testify before the European Parliament on Wednesday, but remarks by Fed Chair Powell and by BoJ board member Toyooki Nakamura later in the week will likely attract market interest as well.

Focus Ahead: 02 – 06 December

MinFin Issues



Data Source: Thomson Reuters

- The Romanian yield curve continued to shift upwards last week due to the lower liquidity and the ongoing political uncertainty. The highest upward pressure was on the short end and the belly of the curve, by up to 20bp, according to the fixing levels. Political uncertainty is likely to prevail during December, keeping yields under upward pressure.
- MinFin will issue RON 500mn in 4.5Y T-bonds on Monday and RON 500mn in 9.8Y T-bonds on Thursday.

BOND ISSUES - NOVEMBER

ISIN Code	Auction Date	Maturity Date	Months	Planned Amount	Currency	Total Applications	Total Allocated	Yield (avg)
RO0DU3PR9NF9	28-Nov-24	24-Feb-38	161	500lei		705	500	7.31
ROACGEG607E2	27-Nov-24	14-Dec-26	25	150euro		178	150	3.5
RO8CJ4RJR8S6	27-Nov-24	26-Nov-25	12	150euro		278	198	3.19
RO6824OS6LR8	26-Nov-24	26-Feb-25	3	500lei		866	500	6.26
ROCDG04X8WJ7	25-Nov-24	26-Apr-28	42	600lei		197	0	
RO7EKTXSRLHD6	21-Nov-24	28-Jan-26	14	700lei		312	252	6.33
RODFIUK7ZV55	21-Nov-24	25-Apr-35	127	500lei		779	500	7.15
ROP9QVD42HO2	18-Nov-24	31-May-27	31	700lei		287	0	
ROYNCLHRHV6	14-Nov-24	29-Jul-30	69	500lei		790	500	6.87
ROTM7EDD92S2	11-Nov-24	31-Jul-34	118	600lei		732	600	6.95
ROOYW8TJIY78	7-Nov-24	27-Nov-25	13	400lei		605	400	5.94
ROJVM8ELBDU4	7-Nov-24	25-Apr-29	54	700lei		1,119	700	6.79
RON7NMKOKQG2	4-Nov-24	28-Nov-26	25	500lei		635	500	6.25

Focus Ahead: 02 – 06 December

MinFin Issues for next Month

BOND ISSUES - DECEMBER									
ISIN Code	Auction Date	Maturity Date	Months	Planned Amount	Currency	Total Applications	Total Allocated	Yield (avg)	
RO0DU3PR9NF9	23-Dec-24	24-Feb-38	160	600lei					
ROYNCLHRHV6	19-Dec-24	29-Jul-30	68	500lei					
ROZHQ5E1YP84	16-Dec-24	25-Jun-25	6	500lei					
ROCDG04X8WJ7	16-Dec-24	26-Apr-28	41	500lei					
ROGLBFYZC968	12-Dec-24	26-Nov-25	12	500lei					
RODFIUK7ZV55	12-Dec-24	25-Apr-35	126	600lei					
RO7EKTXSRLD6	9-Dec-24	28-Jan-26	14	400lei					
ROP9QVD42HO2	9-Dec-24	31-May-27	30	400lei					
ROTM7EDD92S2	5-Dec-24	31-Jul-34	118	500lei					
ROJVM8ELBDU4	2-Dec-24	25-Apr-29	54	500lei					

Focus Ahead: 02 – 06 December

Data Calendar

Date	Country	Indicator/Event	Period	UniCredit forecast	Consensus	Previous
2-Dec-2024	EMU	Unemployment Rate	Oct		6.3	6.3
	RO	ILO Unemployment	Oct	5.5		5.5
	RO	international Reserves	Nov	68.6		71.4
	RO	BCR manufacturing PMI	Nov	47.7		48.1
	US	ISM Manufacturing PMI	Nov		47.5	46.5
3-Dec-2024	US	JOLTs Job Openings	Oct		7.49M	7.443M
	RO	Industrial production prices index (IPPI)	Oct	-1.1		-1.7
4-Dec-2024	EMU	PPI MoM	Oct		0.4	-0.6
	US	ISM Services PMI	Nov		55.5	56.0
	EMU	Retail Sales MoM	Oct		-0.3	0.5
5-Dec-2024	RO	Turnover in retail trade	Oct	9.7		10.7
6-Dec-2024	DE	Industrial Production MoM	Oct		1.0	-2.5
	EMU	GDP Growth Rate YoY 3rd Est	Q3		0.9	0.6
	US	Non Farm Payrolls	Nov		183K	12K
	US	Unemployment Rate	Nov		4.1	4.1
	US	Average Hourly Earnings MoM	Nov		0.3	0.4
	RO	Gross domestic product Q3 2024 (provisional data) (1)	Q3	1.1		1.1

Data Source: Bloomberg

Economic Forecasts

MACROECONOMIC DATA AND FORECASTS

	2021	2022	2023	2024F	2025F
GDP (EUR bn)	241.7	284.1	324.6	349.6	374.5
Population (mn)	19.2	19.0	19.1	19.1	19.0
GDP per capita (EUR)	12,567	14,917	17,035	18,346	19,685
Real economy, change (%)					
GDP	5.7	4.1	2.1	1.7	1.9
Private Consumption	7.2	5.8	2.8	5.8	2.2
Fixed Investment	2.9	5.9	14.4	4.6	4.2
Public Consumption	1.8	-3.3	6.0	0.7	-0.4
Exports	12.6	9.7	-1.4	-0.9	4.7
Imports	14.8	9.5	-1.4	5.8	4.9
Monthly wage, nominal (EUR)	1175	1303	1489	1717	1807
Real wage, change (%)	2.0	-2.2	3.6	9.7	1.7
Unemployment rate (%)	5.6	5.6	5.6	5.4	5.6
Fiscal accounts (% of GDP)					
Budget balance	-7.2	-6.3	-6.6	-7.4	-6.0
Primary balance	-5.7	-4.2	-4.7	-5.5	-4.2
Public debt	48.5	47.5	48.8	51.8	53.2
External accounts					
Current account balance (EUR bn)	-17.5	-26.0	-22.6	-24.6	-22.5
Current account balance/GDP (%)	-7.2	-9.2	-7.0	-7.0	-6.0
Extended basic balance/GDP (%)	-1.5	-3.6	-2.9	-3.2	-2.1
Net FDI (% of GDP)	3.7	3.1	2.0	2.0	2.0
Gross foreign debt (% of GDP)	56.5	50.7	52.4	52.8	52.9
FX reserves (EUR bn)	40.5	46.6	59.8	59.7	60.6
Months of imports, goods & services	4.3	3.9	5.0	4.9	4.8
Inflation/Monetary/FX					
CPI (pavg)	5.0	13.7	10.5	5.8	4.7
CPI (eop)	8.2	16.4	6.6	5.0	4.4
Central bank target	2.50	2.50	2.50	2.50	2.50
Central bank reference rate (eop)	1.75	6.75	7.00	6.50	5.00
3M money market rate (Dec avg)	2.83	7.66	6.25	5.66	4.72
USD RON (eop)	4.37	4.63	4.50	4.49	4.49
EUR RON (eop)	4.95	4.95	4.97	4.99	5.07
USD RON (pavg)	4.16	4.68	4.57	4.55	4.51
EUR RON (pavg)	4.92	4.93	4.95	4.98	5.04

Legal Notices

Glossary

A comprehensive glossary for many of the terms used in the report is available on our website:

<https://www.investmentinsights.unicredit.eu/glossary>.

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