

Macroeconomic and Strategic Analysis

UniCredit Weekly Report



The first round of the Presidential elections was invalidated by the Constitutional Court

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Weekly briefing

In US, the ISM Manufacturing index rose to 48.4 in November above expectations by about 1 point, indicating a softer contraction in manufacturing. The ISM services index was down to 52.0 in November. JOLTS job openings rose by 372k in October to 7.74mn. The US economy added 227k jobs in November, drastically above the upwardly revised 36k in October, and above forecasts [UniCredit: 200]. Average hourly earnings for the private sector rose by 0.4%mom. Mr. Powell said that Fed “can afford to be a little more cautious” with rate cuts as it moves policy towards a more neutral stance. UniCredit still expects the FOMC to cut rates by 25bp at its last meeting in 2024 and will likely skip a cut in January.

The eurozone economy grew 0.4%qoq in 3Q24, the strongest growth rate in two years. Germany's GDP grew by +0.1%, which is lower than the estimated +0.2%, but it surprisingly managed to evade a recession. eurozone GDP grew by +0.9%yoy, the best performance since 1Q23. The unemployment rate was at 6.3% in October, for the third month. PPI rose by 0.4%mom in October, (-0.6% in September), mainly due to higher energy prices (1.4%mom vs -1.9%). German new orders declined by 1.5%mom in October, while excluding big-tickets, demand rose slightly (+0.1%). German industrial production declined 1.0%mom in October after already shrinking 2.0% in the previous month. On a 3M-3M basis, production declined 0.4%.

In Romania, last Friday, the first round of the Presidential elections was invalidated by the Constitutional Court. The entire electoral process will be resumed starting from the nomination of the candidates, likely in spring. Thus, it might take longer than expected before we know the name of the next Romanian President. The mandate of the current President, K.Iohannis, will end on 21 December. Afterwards, Mr. Iohannis will be an interim President. The 3Q2024 GDP first provisional data showed a slight decrease of 0.1%qoq (s.a. data) and a rise below expectations at +1.1%yoy (gross) [UniCredit and consensus: 1.7%yoy]. The Romanian economy declined by 0.3%yoy in 3Q24, while the EU economy improved (EZ: +0.9%yoy, EU: +1.0%yoy, s.a. data). Romania's performance was among the lowest in EU, in line with the weak evolution of Germany (-0.1%yoy). We see downside risks to our GDP growth forecast of 1.7% for 2024. We now expect a growth rate close to 1% for 2024 and below 2% in 2025. The foreign exchange reserves (incl. gold) decreased by EUR 1.8bn in November, to EUR 69.6bn. The ILO unemployment rate declined in October to 5.4%yoy. BCR Romania Manufacturing PMI index was almost stable at 48.0 in November. 2024 is expected to be the second year of contraction for the Romanian manufacturing sector. The retail sales surprised to the upside rising by 10.6%yoy in October (s.a.) by almost 1pp above expectations [UniCredit: 9.7%]. And +0.9%mom.

This week, the external calendar includes November inflation for Germany (Monday) and for US (Wednesday), the ECB interest rate decision (Wednesday), US PPI (Thursday) and eurozone industrial output for October (Friday). In Romania, the trade and the current account deficit have likely accelerated in October (Tuesday, Friday). The annual CPI likely sped up in November due to a base effect (Wednesday) and the industrial output likely slowed its decline (Friday).

Data spotlight: 2 – 6 December

CURRENCIES - MAJORS

Currencies	Last	1D ch (%)	1M ch (%)
EURUSD	1.0574	0.06%	-1.45%
EURCHF	0.93	0.09%	-1.21%
USDJPY	150.86	0.60%	-2.36%
GBPUSD	1.2770	0.23%	-0.85%

CURRENCIES - CEE

Currencies	Last	1D ch (%)	1M ch (%)
EURPLN	4.2565	-0.41%	-2.26%
EURHUF	411.05	-0.69%	0.28%
EURCZK	25.07	-0.09%	-1.16%

CURRENCIES - NBR REFERENCE

Currencies	EUR	USD	SDR	XAU (1g)
9-Dec	ned In			

CURRENCIES - RON

	EURRON	USD RON
9-Dec	4.972	4.703
6-Dec	4.968	4.703
5-Dec	4.978	4.702

FIXED INCOME MARKET YIELDS - LOCAL

Mid-rate	1Y	3Y	5Y	10Y
9-Dec	6.2	6.9	6.9	7.1
6-Dec	6.2	7.1	7.1	7.2
4-Dec	6.0	7.1	7.1	7.4

MONEY MARKET RATES - LOCAL

ROBOR	ON	1M	3M
9-Dec	5.70	5.95	6.00
6-Dec	5.72	5.85	5.90
5-Dec	5.73	5.85	5.90

MONEY MARKET RATES - MAJORS

Euribor	1M	3M	6M
6-Dec	3.01	2.87	2.65
5-Dec	3.03	2.88	2.64
4-Dec	3.03	2.88	2.63
USDSFOR	1M	3M	6M
6-Dec	4.61	4.86	5.15
5-Dec	4.62	4.87	5.15
4-Dec	4.62	4.87	5.15

STOCK MARKETS

Index	Last	1D ch (%)	1M ch (%)
S&P 500	6,090.3	0.25%	5.32%
FTSE	45,635.0	0.01%	0.07%
Hang Seng	39,160.5	0.18%	-0.86%
Bucharest BET	20,414.1	2.76%	-1.52%

Romanian Economy

■ First round of the Presidential elections was invalidated by the Constitutional Court

Last Friday, the Constitutional Court decided unanimously to cancel the first tour of the Presidential elections which took place on 24 November.

This decision came after the President in office, Mr. Klaus Iohannis, as the leader of the Supreme Council of National Defence (CSAT), at the request of more political parties accusing incorrect running of the presidential elections, decided to declassify documents issued by the Romanian secret services showing that the electoral campaign was altered by an illegal support, through social media and other means (cybernetic attacks), from a foreign country in favour of one of the finalists, respectively Mr. Calin Georgescu.

The entire electoral process will be resumed starting from the nomination of the candidates, aiming to ensure the fairness and the legality of the presidential elections. The new elections will take place in the spring of 2025.

Thus, it might take longer than expected before we know the name of the next Romanian President. After the mandate of the current President, Klaus Iohannis, will end on 21 December he is likely to remain an interim President until a new one is elected. The negotiations for forming the new government have started this week.

Data spotlight: 2 – 6 December

Romanian Economy (continued)

■ The Romanian 3Q2024 GDP surprised a decrease of 0.1% from 2Q24

The NIS released the first provisional 3Q2024 GDP data showing a slight decrease of 0.1%qoq (s.a. data). The annual growth (gross) was significantly below expectations, at +1.1%yoy [UniCredit and consensus: 1.7%yoy]. A comparison of Romania's growth rate with the other European economies is only available on the seasonally adjusted data, according to which Romanian economy declined by 0.3%yoy in 3Q24, while the European economy improved (EZ: +0.9%yoy in 3Q24 vs. +0.5%yoy in 2Q24, EU: +1.0%yoy in 3Q24 vs. +0.8%yoy in 2Q24). Romania's performance was among the lowest in EU, in line with the weak evolution of Germany (-0.1%yoy) to which Romania's manufacturing is closely linked. The highest growth rates in EU were recorded by Ireland (3.5%yoy), Denmark and Lithuania (1.2%yoy). On the supply side, the largest positive contributors to the 0.8%yoy growth were: net taxes (+1.7pp), wholesale and retail (+0.7pp), cultural activities (+0.4pp), public administration and defense (+0.1pp), while the other sectors had a zero or negative contribution. The agriculture had the largest negative contribution (-1.9pp). On the demand side, the main contribution came from consumption (+2.6pp) almost fully driven by the private sector (+3.1pp) supported by the lower inflation and the still high nominal wage growth, while the public sector had a negative contribution (-0.5pp). The gross fixed capital formation kept a positive contribution to GDP, albeit slowing down (+0.3pp vs. +1.4pp in 2Q24). The net exports' negative contribution is as acute as last quarter's (-1.4pp) as the imports rose faster due to the strong consumption, while exports were affected by a modest performance in the industrial activity. We see downside risks to our GDP growth forecast of 1.7% for 2024 as the external demand has so far been weaker than expected, while the higher consumption was largely satisfied through imports. We now expect a growth rate for 2024 at around 1% and below 2% in 2025.

■ Romanian international reserves decreased in November

Foreign exchange reserves (incl. gold) decreased by EUR 1.8 billion during November vs. October 2024, to EUR 69.6bn. The monthly inflows amounted to EUR 4.4bn (supported by changes in credit institutions' foreign currency-denominated required reserves with NBR and inflows into the MinFin's accounts), while outflows amounted to EUR 6.0bn (represented by changes in credit institutions' foreign currency-denominated required reserves with NBR; interest payments and principal repayments on foreign currency public debt; payments from the European Commission's account). The stock of gold value increased to EUR 8.4bn (+36%yoy), at a record high within the last decade.

■ ILO unemployment declined slightly in October 2024

The NIS released the unemployment figures for October, showing a decrease to 5.4%yoy mainly due to a base effect, after three months of stabilization at a higher 5.6%yoy level. In annual terms, the jobless rate decreased by 0.2pp and the number of unemployed people (gross) was lower by 22,208 (-4.8%yoy). The active population remained almost stable vs. September 2024, at around 8.2 million.

Data spotlight: 2 – 6 December

Romanian Economy (continued)

■ **BCR Romania Manufacturing PMI index almost stable in November**

The BCR Romania Manufacturing PMI index (compiled by S&P Global based on answers from 400 respondents) was almost unchanged at 48.0 in November after 48.1 in the previous month, indicating a relative stabilization. Although conditions remained challenging for the Romanian manufacturers, out of the five components of the index, the new orders, output and stocks of purchases had negative contributions, the employment was neutral and the suppliers' delivery times improved, having a positive impact on the total index). The new orders, the largest sub-component, declined for the third consecutive month. Even if the internal demand had shown some improvement this year, the new export orders were on a declining trend. The external demand remains weak, especially from Germany, Romania's main trading partner. The German Manufacturing PMI showed some improvement in November but remained at 43.0, well below 50. The external demand remains crucial for the recovery of the local manufacturing sector. 2024 is expected to be the second year of contraction for the Romanian manufacturing sector. PMI data for the first eleven months of the year confirms this scenario with an average index of 48.8, in the contractionary area. A recovery is expected the next year, when the index is expected to enter the positive area, above 50, but this will be highly dependent on the external demand recovery. The lower external demand is most likely a mix of slower economic growth in eurozone and the generally low value-added of the products made in Romania.

■ **Romanian producer prices decreased in October**

Producer prices decreased by 1.0%*mom* in October, after a 1.8%*mom* decrease in September, while on a yearly basis the prices fell by -3.3%*yoy* (vs. -1.7%*yoy* in September), much lower than we were expecting [UniCredit: -1.1%]. The oil prices expressed in dollars increased in October by 2.7%*mom* and we were expecting a higher passthrough to producer prices in line with the trends observed in the previous months, which would have led to a PPI rise. Yet, the producer prices for manufacturing of coke and refined petroleum products recorded the largest monthly increase, by 3.2%*mom*. The biggest decreases were recorded for extraction of crude petroleum and natural gas (-7.87%*mom*) and Electricity, gas, steam and air conditioning supply (-4.31%*mom*).

■ **Romanian retail sales surprised to the upside in October**

Retail sales increased by 10.6%*yoy* in October (seasonally adjusted data – s.a.), almost 1pp above expectations [UniCredit: 9.7%], maintaining the double-digit growth from September (+10.7%*yoy*). It is worth mentioning that this level marks a record high of the last 3 years. On a monthly basis, they rose by 0.9%*mom* in October, similarly to the growth rate of the previous month. The sales increased the most for food (+1.5%*mom* vs. -0.5%*vs* in September), followed by non-food (+0.9%*mom* vs. +1.3%*mom* in September), while the sales of fuel declined (-0.4%*mo* vs. +2.6%*mom*).

Data spotlight: 2 – 6 December

European Economy

■ Eurozone unemployment stable in October

The seasonally-adjusted unemployment rate in eurozone remained unchanged at 6.3% in October vs. September 2024, for the third consecutive month. This level is lower vs. 6.6%yoy recorded in October 2023. The number of unemployed people declined by 3,000 from 10,841 in September. Among the largest economies in the eurozone, the lowest unemployment rate was recorded in Germany (3.4%, albeit rising) and the highest in Spain (11.2%), France (7.6%) and Italy (5.8%).

■ Eurozone industrial producer prices increased in October

Producer prices index in eurozone rose by 0.4%mom in October as expected, following a -0.6% fall in September. Prices increased significantly for energy (1.4%mom vs -1.9%) and continued to rise for durable consumer goods (+0.3%mom) and non-durable consumer goods (+0.2%mom). The prices for capital goods remained unchanged in comparison to the previous month. Among the largest economies, producer prices rose by 1%mom in Italy, 0.9%mom in France and 0.2%mom in Germany, while declining by 0.1%mom in Spain. On an annual basis, producer prices in eurozone declined by 3.2%yoy, after a 3.4% drop in September due to a base effect.

■ The eurozone economy grew 0.4%qoq in 3Q24

The eurozone economy grew 0.4%qoq in 3Q24, the strongest growth rate in two years, after +0.2%qoq in 2Q24 and consistent with estimates. The primary contributors included household spending (+0.7%), gross fixed capital formation (+2%), and inventories, while government spending also rose (+0.5%). Net trade negatively impacted growth, as exports decreased by -1.5%, while imports rose by +0.2%. Among the major economies, Germany's GDP grew by +0.1%, which is lower than the estimated +0.2%, but it surprisingly managed to evade a recession. France's GDP expanded at a quicker pace of +0.4% and the Spanish economy demonstrated resilience (+0.8%). In contrast, the Italian economy stagnated, while the Netherlands saw a slowdown at +0.8%. The eurozone GDP grew by +0.9%yoy, the best performance since the first quarter of 2023.

■ German new orders declined in October

New orders in the manufacturing sector declined 1.5%mom in October. However, excluding big-ticket items, demand increased slightly (+0.1%). Furthermore, the headline figure for the previous month was strongly revised up to 7.2%mom (from 4.2%), due to a belated reporting of bulk orders in the shipping industry, which brought the less volatile 3M-3M growth in the positive area (+2.7%mom). Real sales in the manufacturing sector declined in October.

■ German industrial production declined -1.0%mom in October

Industrial production declined 1.0% mom in October after already shrinking 2.0% in the previous month. On a less volatile 3M-3M basis, industrial production declined a more moderate 0.4%. One key driver of the decline in October was energy production which plunged nearly 9% mom. The unusually mild winter weather has probably played a role here. In contrast, output in manufacturing shrank only slightly (-0.3%), while production in the construction industry was flat.

Data spotlight: 2 – 6 December

US Economy

■ US ISM Manufacturing surprised to the upside in November

The ISM Manufacturing index rose to 48.4 in November above expectations by about 1point, from 46.5 in October, indicating a softer contraction in manufacturing. Most regional manufacturing surveys for November showed improvement, and the flash S&P Global manufacturing PMI edged up in November to 48.8 from 48.5. The unwinding of adverse effects from hurricanes and strikes, as well as some reduction in economic uncertainty following the recent victory of Trump in the presidential election, supported the industrial activity and the sentiment. New orders resumed after seven months of contraction (50.4 vs 47.1), while production (46.8 vs 46.2), employment (48.1 vs 44.4) and inventories (48.1 vs 42.6) recorded a lower contraction. Also, price pressures eased (50.3 vs 54.8) and supplier deliveries time improved (48.7 vs 52). Still, the manufacturing activity remains subdued in US amid high interest rates, subdued global growth, geopolitical tensions and high US-policy uncertainty.

■ US ISM Non-manufacturing (services) PMI and Employment PMI deteriorated in November

The ISM Non-Manufacturing index decreased to 52.0 in November, after rising to 56.0 in October. Yet, the activity in services remains quite resilient despite ongoing weakness in manufacturing. Also, the ISM Employment Index fell to 51.5 in November from 53 in October, indicating a slower job growth in October and a gradual slowing of the labor demand. A post-election boost to sentiment, in anticipation of tax cuts and deregulation, is likely to have been moderate amid still-high policy uncertainty and concerns surrounding the impact of higher tariffs and tighter immigration policy.

■ Fed's policy will move to a more-neutral setting, likely after one more rate cut in December

Last week, Mr. Powell said that Fed “can afford to be a little more cautious” with rate cuts as it moves policy towards a more neutral stance. He said the downside risks to the labor market appeared to have decreased, while recent inflation prints had been a bit higher than expected. He did not make a direct reference to Fed's 17-18 December meeting, therefore UniCredit still expects the FOMC to cut rates by 25bp at its last meeting in 2024 and will likely skip a cut in January. Finally, whether the Fed will cut on 18 December or not will depend on the key incoming labor-market and inflation data.

The Beige Book reported that the economic activity in US had risen modestly through late November, while the growth expectations had picked up moderately. The employment was flat or up slightly. Price inflation was modest as businesses noted further increases in price sensitivity among consumers. Firms noted that tariffs posed an upside risk to inflation.

Data spotlight: 2 – 6 December

US Economy

■ **JOLTS job openings increased to 7.74mn in October**

The number of job openings increased by 372k in October to 7.74mn from a revised 7.37mn in September. The biggest increases were seen in professional and business services (+209k); accommodation and food services (+162k), and information (+87k) but decreased in federal government (-26k).

■ **The US economy added 227,000 jobs in November**

The US economy added 227k jobs in November, drastically above the upwardly revised 36k in October, and higher than forecasts [UniCredit: 200]. The biggest payroll gains came from health care (+54k), leisure and hospitality (+53K), government (+33k), and social assistance (+19K) while the biggest losses were recorded from retail sales (-28k). Employment showed little or no change in other major industries, including mining, quarrying, and oil and gas extraction; wholesale trade; retail trade; transportation and warehousing; information; financial activities; leisure and hospitality.

■ **US unemployment rate went up to 4.2% in November**

The unemployment rate in the United States went up to 4.2% in November, in line with UniCredit's forecast [UniCredit: 4.2%]. The number of unemployed individuals was broadly unchanged at 7.14mn, while permanent job losses decreased to 1.7mn.

■ **Average US hourly earnings for private sector payrolls increased**

Average hourly earnings for all employees on US private nonfarm payrolls increased by 13 cents (0.4%mom), over a month to USD 35.61 in November, and following a revised 0.4% advance in the prior month.

Data spotlight: 2 – 6 December

International and Romanian Markets

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

The EURRON traded within a narrow range for the fourth week (4.9760-4.9781), appreciated strongly to 4.9656 at 16:00, then bounced back to 4.9680 in the evening, after the Constitutional Court announced the cancelation of the first round of the Presidential elections. Due to the ongoing political uncertainty, the pair is likely to remain under upward pressure.

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

The ROBOR rates declined by up to 9bp on the O/N – 1W segment, while the 1M-3M segment move marginally. The O/N-1W segment closed last week at 5.69%/5.72%, while the 1M-3M segment at 5.80%-5.92%. According to the latest data published by the NBR, the excess liquidity had decreased by RON 8.6bn in November versus October, to RON 18.6bn. The lower excess liquidity in the market is likely to lead to more volatility for ROBOR rates.

■ **MinFin auctions**

Last Monday, the Ministry of Finance held an auction for T-bonds with residual maturity of 4.5 years. The bids were above the planned amount, at RON 985.3mn vs. RON 500mn and MinFin decided to place RON 710.3mn. The average accepted yields was 7.17% (max 7.18%), up by 38bp from a previous reopening three weeks ago triggered by the high political uncertainty after the unexpected result of the first round of the presidential elections and the votes recounting decided by CCR.

On Thursday, the Ministry of Finance held an auction for T-bonds with residual maturity of 9.7 years. The bids were above the planned amount, at RON 665.6mn vs. RON 500mn and MinFin decided to place RON 500.0mn. The average accepted yields was 7.48% (max 7.49%), up by 53bp from a previous reopening one month ago.

■ **FX markets**

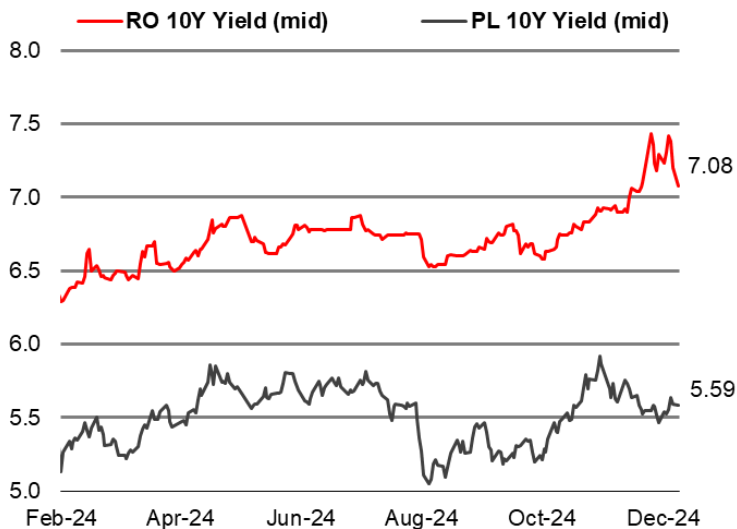
The US jobs data for November came in close to consensus estimates, and, in FX, the initial slide of the USD across the board was short-lived, also due to a better-than-expected preliminary University of Michigan Index of Consumer Sentiment for December. EUR-USD's rise to near 1.0630 was reversed, leaving the pair close to pre-data-release levels just below 1.0550. This re-confirms that investors are still prudent about riding a recovery by the single currency for now, as they are clearly waiting for the latest policy decisions by major central banks.

■ **China's Caixin manufacturing PMI improving in November**

The Caixin/S&P Global manufacturing PMI rose to 51.5 in November from 50.3 in the previous month, reflecting growth in the new export orders following four months of contraction.

Focus Ahead: 09 – 13 December

MinFin Issues



Data Source: Thomson Reuters

- The Romanian yield curve rose last week by up to 18bp, according to the fixing levels, as market unrest continued before the second round of presidential elections which was supposed to take place last Sunday. After CCR invalidated on Friday the first round and decided that the electoral process will be reorganized, the market optimism increased, with the yield curve declining this Monday by up to 20bp.
- MinFin will issue two T-bonds of RON 400mn each with 1.2Y and 2.5Y maturity on Monday and RON 600mn in 10.5Y T-bonds and RON 500mn in 1Y T-bills on Thursday.

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	600 lei				
ROYNCLHRHV6	19-Dec-24	29-Jul-30	68	500 lei				
ROZHQ5E1YP84	16-Dec-24	25-Jun-25	6	500 lei				
ROCDG04X8WJ7	16-Dec-24	26-Apr-28	41	500 lei				
ROGLBFYZC968	12-Dec-24	26-Nov-25	12	500 lei				
RODFIUK7ZV55	12-Dec-24	25-Apr-35	126	600 lei				
RO7EKTCSRHD6	9-Dec-24	28-Jan-26	14	400 lei				
ROP9QVD42HO2	9-Dec-24	31-May-27	30	400 lei				
ROTM7EDD92S2	5-Dec-24	31-Jul-34	118	500 lei		666	500	7.48
ROJVM8ELBDU4	2-Dec-24	25-Apr-29	54	500 lei		985	710	7.17

Focus Ahead: 09 – 13 December

Data Calendar

Date	Country	Indicator/Event	Period	UniCredit forecast	Consensus	Previous
10-Dec-2024	GE	Inflation Rate MoM Final	Nov		-0.2	0.4
	US	Inflation Rate MoM	Nov		0.2	0.2
	RO	Trade Balance (EUR mn)	Oct	-3173		-2571.5
11-Dec-2024	EMU	ECB Interest Rate Decision	Dec			0.3
	RO	CPI (% , yoy)	Nov	5.0		4.7
12-Dec-2024	US	PPI MoM	Nov		0.3	0.2
13-Dec-2024	EMU	Industrial Production	Oct		-0.2	
	RO	Industrial Output (% , yoy)	Oct	-1.4		-3.6
	RO	Current Account YTD (EUR mn)	Oct	-22270.0		-19777

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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