Macroeconomic and Strategic Analysis

UniCredit Weekly Report

The annual inflation continued to temper in March

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UniCredit Bank

Weekly briefing

Last week, the ECB left its monetary policy unchanged and paved the way for a rate cut at the June meeting. Given the uncertainty that surrounds the pace of disinflation in services, the geopolitical environment and the Fed's monetary policy trajectory, UniCredit Research sticks to the view that **the ECB's easing cycle will proceed slowly, probably at a pace of 25bp per quarter.** UniCredit Research continues to see the **deposit rate declining to 3.25%** by the end of the year. **German industrial production rose by 2.1%mom in February**, its strongest increase since January 2023. The rise was widespread across sectors with especially strong rises in construction and in the car industry.

US Headline CPI inflation was stronger than expected in March, stabilizing at 0.4%mom for the second consecutive month against expectations for a 0.3% rate**. In year-on-year terms, inflation rose to 3.5% from 3.2%. Core CPI inflation was unchanged at 0.4%mom and in yearly terms, it was stable at 3.8%yoy.** Clearly this CPI report complicates the job for the Fed. It is unlikely, that the **Fed will start cutting rates in June as UniCredit Research had previously forecast**. New York Fed President John Williams said there was no need to cut rates in the "very near term".

In Romania, **the annual inflation tempered to 6.6%yoy in March**, more than expected, after it spiked to 7.4%yoy in January due to several tax. **In monthly terms, prices were higher by 0.4%** in March, with the fastest increase recorded for non-food prices. The **core inflation also decreased to 7.1%yoy** indicating lower consumer inflationary pressures. **Disinflation is expected to continue in April**, when we estimate that annual inflation will fall towards 6.2%. **The release confirmed the second month of a downward path, enabling NBR to deliver the first key rate cut of 0.25pp to 6.75%** at its monetary policy meeting on 13 May.

According to NIS, **for the full year of 2023, the Romanian economic growth was confirmed at 2.1%yoy.** On components, the contribution to growth were almost the same. **We forecast GDP growth at 2.7% this year**, with 2.5% seen as boosting reelection chances for incumbents. **The trade deficit narrowed more than expected to EUR 2.2bn in February**, lower by 5.9% than in the same period of 2023. Compared to February 2023, both exports and imports increased. **The current account deficit increased less than anticipated in the first two months of 2024 to EUR 2.7bn**, up by about 25%yoy in February. **The average net salary increased by only 0.3%mom in February, to RON 4,876**, and the annual growth pace was maintained at 14.2%yoy. **Industrial production increased by 2.7%mom (s.a.d.) in February**, after a 3.4%mom decline in January. The main drivers were mining and manufacturing, which entered the positive area. Last Friday, **the rating agency Standard & Poor's agency maintained Romania's investment grade rating at BBB-/A-3 with a stable outlook**.

This week, the **eurozone industrial production** is likely **to have partly rebounded** in February, while **US retail sales will probably decelerate** to 0.3%mom (Monday). The **US industrial production likely rose** by 0.3%mom in March (Tuesday). The **calendar for Romania doesn't include any major releases.**

Data spotlight: 8 – 12 April

CURRENCIES - MAJORS			
Currencies	Last	1D ch (%)	1M ch (%)
EURUSD	1.0654	0.11%	-2.70%
EURCHF	153.19	-0.03%	3.77%
USDJPY	1.25	-0.79%	-2.65%
GBPUSD	1.2360	-0.42%	4.36%

CURRENCIES - CEE			
Currencies	Last	1D ch (%)	1M ch (%)
EURPLN	4.2930	0.06%	0.20%
EURHUF	394.20	0.38%	-0.45%
EURCZK	25.32	-0.01%	0.21%

CURRENCIES - NBR REFERENCE				
Currencies	EUR	USD	SDR	XAU (1g)
15-Apr	4.9737	4.6664	6.1448	352.32

CURRENCIES - RON		
	EURRON	USDRON
15-Apr	4.975	4.669
12-Apr	4.974	4.673
11-Apr	4.972	4.635

FIXED INCOME MARKET YIELDS - LOCAL				
Mid-rate	1Y	3Y	5Y	10Y
15-Apr	6.0	5.9	6.1	6.7
10-Apr	6.0	5.9	6.1	6.6

MONEY MARKET RATES - LOCAL			
ROBOR	ON	1M	3M
15-Apr	6.00	6.00	6.05
12-Apr	6.00	6.00	6.04
11-Apr	6.01	6.03	6.05

MONEY MARKET RATES - MAJORS			
Euribor	1M	3M	6M
12-Apr	3.84	3.92	3.87
11-Apr	3.88	3.91	3.86
10-Apr	3.85	3.91	3.83
USD Libor	1M	3M	6M
12-Apr	5.43	5.59	5.73
11-Apr	5.44	5.59	5.73
10-Apr	5.43	5.56	5.66

STOCK MARKETS			
Index	Last	1D ch (%)	1M ch (%)
S&P 500	5,123.4	-1.46%	-1.00%
FTSE	7,978.9	-0.21%	2.66%
Hang Seng	16,600.5	-0.72%	-2.88%
Bucharest BET	16,906.8	0.14%	4.06%

Romanian Economy

- **The annual inflation continued to temper in March**

Annual inflation tempered to 6.6%yoy in March, more than expected [UniCredit: 6.7%, consensus: 6.8%] after it spiked to 7.4%yoy in January due to several tax increases (especially excise duties for fuels and tobacco). In monthly terms, prices were higher by 0.4% in March, after the +1.1mom in January and +0.8%mom in February.

The fastest increase was recorded for non-food prices (0.7%mom), while the monthly increase in prices for services and food were 0.3%mom and 0.4%mom, respectively. Within the food category, the highest increase was for margarine (+5%mom) and potatoes (+2.1%mom), while the highest decrease was for butter (-3.7%mom). Within the non-food category, the highest increase was for detergents (+2.1%mom) and electric energy fuels (+1.7%mom). Fuels increased marginally, after oil prices increased by around 0.5%mom to an average of 86.4 USD/barrel in March. The prices for services increased especially due to air transport (+5.6%mom).

The core inflation also decreased to 7.1%yoy (vs. 7.6%yoy), indicating lower consumer inflationary pressures. Disinflation is expected to continue in April, when we estimate that annual inflation will fall towards 6.2%. The release confirmed the second month of a downward path, enabling NBR to deliver the first key rate cut of 0.25pp to 6.75% at its monetary policy meeting on 13 May.

Data spotlight: 8 – 12 April

Romanian Economy (continued)

We assume that no significant tax measures will be taken before the several rounds of elections to be held between June and December 2024. We do not forecast inflation to return inside the target range in 2024-25. We expect headline inflation to be around 5.6% at the end of 2024 and at a similar level in 2025, with weaker domestic demand sending core inflation, excluding tax changes, inside the 1.5-3.5% target range by spring 2025. We forecast core inflation to remain stickier than in the rest of the region in 2024.

- **2023 GDP growth was confirmed at 2.1%yoy**

The NIS released the second estimate for the fourth quarter and full 2023 GDP details. The quarterly decrease was confirmed at 0.5%qoq (s.a.). The yearly growth was confirmed at +3.0%yoy in gross terms and +1.1%yoy in seasonally adjusted terms. For the full year of 2023, the Romanian economy grew by 2.1%yoy. On components, the contributors to growth were almost the same, with construction as the most important contributor on the supply side and private consumption on the demand side.

We forecast GDP growth at 2.7% this year, with 2.5% seen as boosting reelection chances for incumbents. In our view, the main growth drivers will be loose fiscal policy, fast real-income growth, investment in infrastructure and stronger foreign demand in 2H24. The latter factor poses the biggest threat to our forecast. We expect private consumption to remain robust as impeding tax increases almost absent from the media. Construction will benefit from cheaper loans and larger transfers from the EU, while capex might rebound if exports to the eurozone accelerate. In contrast, we forecast GDP growth at just 1.9% in 2025, as private consumption could grow by just 1.3% due to a raft of tax increases. Depending on the structure of fiscal measures, private construction and services might be affected as well.

- **The trade deficit was 2.2bn EUR in February 2024**

The trade deficit narrowed more than expected to EUR 2.2bn in February, lower by 5.9% than in the same period of 2023. Compared to February 2023, both exports and imports increased by 1.0%yoy and 2.0%yoy, respectively. The highest increases in import volumes were seen for chemicals and related products (+3.3%yoy) and for food and live animals (+1.5%yoy), while the largest decrease was seen for manufactured goods classified mainly by raw materials (-4.1%yoy). On the exports' side, the highest increases were seen for machinery and transport equipment (+6.5%yoy), while the largest decrease was seen for manufactured goods classified mainly by raw materials (-6.7%yoy). Around 74% of the trade activity was with the European Union.

Data spotlight: 8 – 12 April

Romanian Economy (continued)

The current account deficit at 0.8% of GDP at the end of February 2024

The current account deficit increased less than anticipated in the first two months of 2024 to EUR 2.7bn, up by about 25%yoy, due to the goods' trade balance remaining almost flat (EUR 4.2bn deficit, lower by 0.8%yoy). The surplus in services was almost EUR 2bn, down 20% from the previous year, with transportation and IT&C as the main drivers. The primary income deficit amounted to EUR 0.8bn, 2.7 times higher compared to 2M2023, while the secondary income recorded a surplus of EUR 345mn an improvement in comparison with a deficit of EUR 47mn in 2M2023. Foreign direct investments amounted to EUR 1.2bn, down by 9.7%yoy, mainly driven by the reinvested earnings. The current account deficit narrowed to 7% of GDP at the end of 2023 from 9.2% of GDP at the end of 2022. This year, we expect the C/A deficit to further narrow and remain fully funded by EU transfers, FDI and sovereign external borrowing.

The average net salary was almost unchanged in February

The average net salary increased by only 0.3%mom in February 2024 vs. January, to RON 4,876. The annual growth pace was maintained at 14.2%yoy, the same as in January. The net real wage increased by 6.5% in February compared to a year ago. The highest net salary increases in February were seen in activities auxiliary to financial services and insurance activities (+29.2%mom), in manufacture of tobacco products (+28.3%mom) and insurance, reinsurance and pension funding (+12.8%mom), while the highest decreases were recorded in telecom (-7.7%mom), mining of metal ores (-5.3%mom) and manufacture of basic metals (-5.3%mom).

Romanian industrial production resumed in February

Industrial production increased by 2.7%mom (seasonally adjusted data) in February, after a 3.4%mom decline in January. The main drivers were mining (+8.4%mom) and manufacturing (+3.1%mom), which entered the positive area. The production of electricity, gas, steam, air conditioning continued to decline by 2.8%mom. Compared to the corresponding month of 2023, the industrial production declined less than expected by 2.2% on adjusted data, due to decline in electricity, gas, steam and air conditioning supply (-5.7%), followed by manufacturing (-2.2%yoy), while mining rose by +1.5%.

Data spotlight: 8 – 12 April

Romanian Economy (continued)

S&P maintained the BBB- rating with a stable outlook

Last Friday, the rating agency Standard&Poor's maintained Romania's investment grade rating at BBB-/A-3 with a stable outlook.

According to S&P's report, the economic growth will be around 3% this year, backed by strong private consumption and an uptick in investment activity. The labor market in Romania has shown resilience, with unemployment remaining near historical levels. EU fund inflows (under the Multiannual Financial Framework and the Recovery and Resilience Facility) on average of around 3%-4% of GDP in the coming years, will facilitate further investments in areas such as energy transition, transportation and healthcare. Simultaneously, S&P anticipates that the RRF will serve as a strong foundation for implementing necessary fiscal reforms in the long run to address structural issues.

While annual inflation decreased from its peak of 14.6%yoy in November 2022 reaching 7.1%yoy in February 2024, it remained elevated and has only gradually declined over the recent months. The rating agency thinks that the risk of inflation becoming more persistent over the next months are rising. They forecast that inflation will stay above the NBR's target until the end of 2025, particularly given the pro-cyclical fiscal policy and sustained high wage growth.

In anticipation of Romania's four elections this year, a loose fiscal policy is poised to exacerbate the already large twin deficits. Consequently, they project the fiscal deficit to persist at a level of around 6% of GDP this year and to decrease only gradually over the next years, averaging 5.1% of GDP in 2025-2027. As a result, the rating agency forecasts that the net government debt will steadily increase, surpassing 53% of GDP by 2027. The expansionary fiscal policy will also contribute to high external imbalances. S&P anticipates that the current account deficit will persist at 7% of GDP this year and average 6.8% of GDP in 2025-2027. Reserves are estimated to remain at nearly four months' worth of current account payments in the next years.

Regarding the banking sector, nonperforming loans have marginally reduced further. Profitability has improved from already high levels and capital and liquidity ratios exceed the average of CEE countries. However, loans to the private sector represent only about 24% of GDP, indicating relatively low financial intermediation compared to other countries from the region.

Data spotlight: 8 – 12 April

European Economy

Setting the stage for a June cut

The ECB provided the clearest possible signal that monetary policy in the eurozone is approaching a turning point. This is the key sentence that was added to their statement: “If the Governing Council’s updated assessment of the inflation outlook, the dynamics of underlying inflation and the strength of monetary policy transmission were to further increase its confidence that inflation is converging to the target in a sustained manner, it would be appropriate to reduce the current level of monetary policy restriction”. According to ECB President Lagarde, a “few” members of the Governing Council (GC) already felt sufficiently confident about the sustainability of the disinflation process – in other words, they would have supported a rate cut – but they decided to join the “very large” majority of members that wanted to wait until June. Overall, the bar for a rate cut at the next meeting seems quite low.

Unsurprisingly, Ms. Lagarde refrained from providing any hints about the pace of rate reduction after June. In UniCredit Research’s view, this reflects the high uncertainty that surrounds the evolution of domestic price pressure, geopolitical tensions and the Fed’s policy trajectory. Lack of visibility about the neutral level of interest rates adds to the ECB’s caution, likely contributing to keeping the central bank in data-dependency mode for some time. Following a significant decrease in inflation-forecast errors in recent quarters, the ECB’s macroeconomic projections are likely to play an important role in supporting the GC’s confidence in the disinflation process going forward. Asked about spillovers from US CPI data and the Fed’s policy, Ms. Lagarde made two clear points. First, the nature of inflation in the US is very different from that in the eurozone. Second, FX is not the only channel that needs to be monitored.

Overall, UniCredit Research confirms the view of a gradual descent of interest rates at a pace of 25bp per quarter, with 75bp of cumulative cuts expected for this year and another 100bp for 2025. Risks are broadly balanced. On the one hand, the ECB could cut less than expected if an intensification of geopolitical tensions causes a strong increase in energy prices, supply-chain disruption or the imposition of sweeping tariffs. On the other hand, a severe deterioration in the labor market if the recovery in activity fails to materialize would be an obvious trigger for a more dovish shift and a more aggressive easing cycle.

German industrial production continued to increase in February

Industrial production rose by 2.1%mom in February, its strongest increase since January 2023. The figure in the previous month was revised up to 1.3%mom from 1.0%. The rise was widespread across sectors with especially strong rises in construction (7.9%mom) and in the car industry (5.7%mom). In energy-intensive sectors, activity rose by 4.2%mom. In contrast to industrial production, exports declined by 2.0%mom in February after a very strong rise of 6.3% in the previous month (imports: +3.2%mom in February).

Data spotlight: 8 – 12 April

US Economy

US CPI: Another upward surprise increases the likelihood the Fed delays cuts

The March CPI report does not dissipate fears that the first two inflation readings of 2024 were just bumps along a relatively smooth disinflation path. Headline CPI inflation was stronger than expected in March, stabilizing at 0.4%mom for the second consecutive month against expectations for a 0.3% rate. The reading is consistent with an annualized rate that is slightly below 5%. In year-on-year terms, inflation rose to 3.5% from 3.2%. The energy index rose 1.1%mom, with gasoline prices rising 1.7%mom after an increase of 3.8% in February. The food index rose 0.1%.

Core CPI inflation was unchanged at 0.4%mom, above a consensus forecast of 0.3%. In yearly terms, it was stable at 3.8%yoy. Looking at smoother measures of core inflation than the monthly rate, the three-month annualized rate and six-month annualized rate came in at 4.5% and 3.9%, respectively. Both measures have been on an upward path since December 2023.

Clearly this CPI report, following the strong payrolls release two weeks ago, complicates the job for the Fed. It won't give the Fed the “greater confidence” that it needs that inflation is moving down towards 2% on a sustainable basis. It is unlikely, therefore, that the Fed will start cutting rates in June as UniCredit Research had previously forecast. One can point to mitigating factors in the CPI report, including the outsized effect of car insurance and that March core PCE inflation (the Fed’s preferred measure of inflation) will likely come in lower than March core CPI inflation. But there's enough doubt that the Fed will probably play it off the back foot in terms of the timing of the first rate cut. At least, it will probably want to see two or three good inflation readings before it cuts interest rates. The market is now pricing in cuts of 50bp in 2024, which UniCredit Research thinks it too little, as they still forecast a slowdown in growth and inflation ahead.

Fed’s meeting minutes

The minutes of the FOMC’s 19-20 March meeting was published last Wednesday. The “dot plot” of interest-rate projections shifted up slightly but the median dot still indicated 75bp of rate cuts for this year. Several Fed officials have pointed to higher productivity growth and improved labor supply, including from immigration, which would not be inflationary and, hence, not preclude rate cuts.

Data spotlight: 8 – 12 April

International and Romanian Markets

- **The EURRON increased slightly last week**

The EURRON traded with an upward bias last week, within the 4.9670-4.9735 range and ended the week at 4.9735, 54pips up compared to the closing of the week before. The new levels are more consistent with the RON fundamentals. We do not expert sharp rises from here, although the upward pressure is likely to continue.

- **The entire ROBOR curve remained flat**

Last week the ROBOR curve was stable for all maturities. The O/N-1W segment closed the week within the 6.00%-6.01% interval, while the 1M-3M segment closed inside 6.02%-6.07%. Although the excess liquidity continued to decrease in March to RON 44.7bn from almost RON 61bn in January, it continues to stay close to the historical high levels, arguing for the persistence of the low interest rate environment.

- **MinFin auctions**

Last Monday, the Ministry of Finance held an auction for a T-bond with residual maturity of 7 years. Bids covered the planned amount, at RON 719mn vs. RON 400mn, enabling MinFin to place RON 580mn. The average accepted yield was 6.58% (max 6.59%), down 1bp from the previous reopening one month ago.

Last Thursday, the Ministry of Finance held an auction for a T-bond with residual maturity of 13.9 years and a 12M T-bill. For the bond, bids were below the planned amount, at RON 222.7mn vs. RON 300mn and MinFin decided to reject them. For the bill, the bids were above the planned amount, at RON 1.84bn vs. RON 400mn and MinFin placed RON 1.54bn. The average yield accepted was 6.02% (max. 6.03%).

- **FX markets**

In FX, the broad-based strengthening of the USD continues following investors' repricing of the Fed's rate cuts for this year in favor of a less intense and later easing, while geopolitical risks are still looming. The US dollar index (DXY) remains close to 106 and the full break of 1.07 has sparked more EUR-USD weakness, as feared, pushing the pair to 1.0650 and making a retest of 1.05 more feasible in the near term.

- **Oil & Gas**

Israel's decision to not respond, at least for now, to the Iranian airborne attack on Saturday will likely stabilize Brent and TTF prices at current levels until there is clarity on how events in the Middle East will unfold. At the moment, no critical oil or LNG facilities have been affected. Similarly, the Strait of Hormuz remains fully open. If tensions de-escalate, energy prices, especially oil, might decline from current levels.

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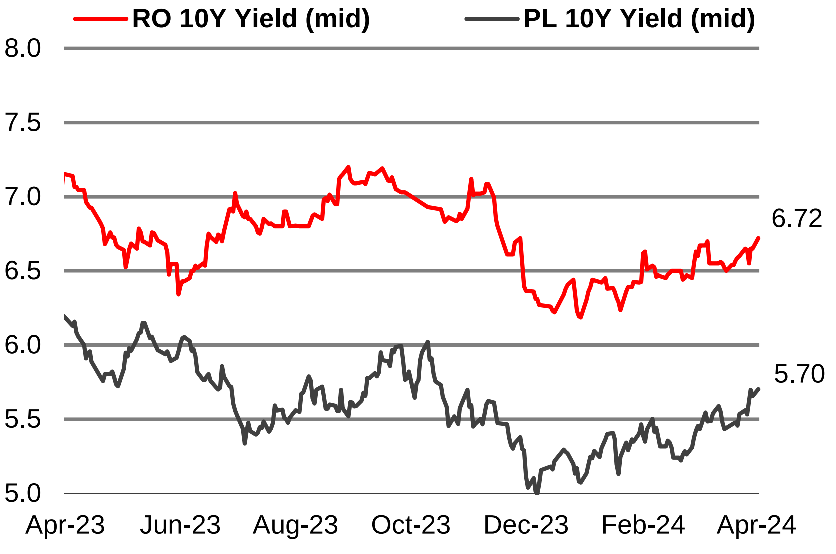
Focus Ahead: 15 – 19 April

MinFin Issues



Data Source: Thomson Reuters

- According to the fixing levels, bond yields increased last week by up to 11bp on the long end due to the global upward pressure, while the short end was stable.
- UST yields were higher last week, while EGB yields are little changed. Last Thursday, the ECB opened the door for a rate cut in June, while it remained prudent on further easing after June, reiterating its data-dependency approach.
- This week, MinFin intends to place 400mn in 4.1Y T-bonds on Monday and 600mn in 6.1Y T-bonds on Thursday.

BOND ISSUES - APRIL

ISIN Code	Auction Date	Maturity Date	Months	Planned Amount	Currency	Total Applications	Total Allocated	Yield (avg)
RO7EKTXSRHD6	29-Apr-24	28-Jan-26	21	500	lei			
ROJVM8ELBDU4	29-Apr-24	25-Apr-29	61	500	lei			
ROWLVEJ2A207	25-Apr-24	30-Oct-33	116	400	lei			
RON7NMKOKQG2	25-Apr-24	28-Oct-26	31	400	lei			
ROP9QVD42HO2	22-Apr-24	31-Jul-27	40	500	lei			
ROXL7LT7QZ66	18-Apr-24	29-Apr-30	73	600	lei			
ROCDG04X8WJ7	15-Apr-24	26-Apr-28	49	400	lei			
RO1JS63DR5A5	11-Apr-24	28-Apr-31	86	400	lei	719	580	6.58
ROLDTSD4N4L2	8-Apr-24	26-Mar-25	12	400	lei	1,841	1,544	6.02
RO0DU3PR9NF9	8-Apr-24	24-Feb-38	169	300	lei	223	0	
RO7EKTXSRHD6	4-Apr-24	28-Jan-26	22	400	lei	1,536	891	6.04
ROTM7EDD92S2	4-Apr-24	31-Jul-34	126	400	lei	469	400	6.63
RO9ZKMFLS2K3	1-Apr-24	23-Oct-24	7	400	lei	1,087	917	6.01
ROJVM8ELBDU4	1-Apr-24	25-Apr-29	62	400	lei	1,238	1,022	6.36

Focus Ahead: 15 – 19 April

Data Calendar

Date	Country	Indicator/Event	Period	UniCredit forecast	Consensus	Previous
15-Apr-2024	EMU	Industrial Production (% mom)	Feb	1.0	0.7	-3.2
	US	Retail Sales (% mom)	Mar	0.3	0.4	0.6
16-Apr-2024	GE	ZEW Survey – Current Situation (index)	Apr	-70.0	-77.9	-80.5
	GE	ZEW Survey – Expectations (index)	Apr	35.0	34.0	31.7
	US	Industrial Production (% mom)	Mar	0.3	0.4	0.1
17-Apr-2024	Romania	Industrial sales (%, yoy)	Feb			1.9

Data Source: Bloomberg

Economic Forecasts

MACROECONOMIC DATA AND FORECASTS

	2021	2022	2023	2024F	2025F
GDP (EUR bn)	241.7	284.1	321.7	351.5	376.0
Population (mn)	19.2	19.0	19.1	19.0	19.0
GDP per capita (EUR)	12,567	14,918	16,885	18,476	19,793
Real economy, change (%)					
GDP	5.7	4.1	2.1	2.7	1.9
Private Consumption	7.2	5.8	2.9	3.0	1.3
Fixed Investment	2.9	5.9	12.0	6.5	3.4
Public Consumption	1.8	-3.3	2.8	1.9	-0.4
Exports	12.6	9.7	-2.1	4.0	4.9
Imports	14.8	9.5	-1.8	5.5	3.9
Monthly wage, nominal (EUR)	1175	1303	1489	1698	1773
Real wage, change (%)	2.0	-2.2	3.6	8.2	0.2
Unemployment rate (%)	5.6	5.6	5.6	5.5	5.6
Fiscal accounts (% of GDP)					
Budget balance	-7.2	-6.3	-6.3	-6.3	-4.7
Primary balance	-5.7	-4.2	-4.4	-4.4	-2.9
Public debt	48.5	47.5	49.1	50.4	51.9
External accounts					
Current account balance (EUR bn)	-17.5	-26.0	-22.7	-23.2	-19.1
Current account balance/GDP (%)	-7.2	-9.2	-7.1	-6.6	-5.1
Extended basic balance/GDP (%)	-1.5	-3.6	-3.0	-2.7	-1.1
Net FDI (% of GDP)	3.7	3.1	2.0	1.8	1.8
Gross foreign debt (% of GDP)	56.5	50.7	52.5	50.5	49.3
FX reserves (EUR bn)	40.5	46.6	59.8	57.8	58.2
Months of imports, goods & services	4.3	3.9	5.1	4.6	4.5
Inflation/Monetary/FX					
CPI (pavg)	5.0	13.7	10.5	6.1	5.6
CPI (eop)	8.2	16.4	6.6	5.6	5.6
Central bank target	2.50	2.50	2.50	2.50	2.50
Central bank reference rate (eop)	1.75	6.75	7.00	6.00	4.50
3M money market rate (Dec avg)	2.83	7.66	6.25	5.55	4.58
USDRON (eop)	4.37	4.64	4.56	4.45	4.49
EURRON (eop)	4.95	4.95	4.97	4.99	5.07
USDRON (pavg)	4.16	4.68	4.57	4.49	4.43
EURRON (pavg)	4.92	4.93	4.95	4.98	5.04

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