

## Macroeconomic and Strategic Analysis

UniCredit Weekly Report



---

## Fed and ECB reiterated their intent to cut this year

---

25 March, 2024

---

**Anca Maria NEGRESCU**

Senior Economist

+40 723 103 008

[anca.negrescu@unicredit.ro](mailto:anca.negrescu@unicredit.ro)

**Mihai JUGRAVU**

Macroeconomic Economist

+40 790 684 924

[mihai.jugravu@unicredit.ro](mailto:mihai.jugravu@unicredit.ro)

**Iulia CORLANESCU**

Macroeconomic Economist

+40 724 052 840

[iulia.corlanescu@unicredit.ro](mailto:iulia.corlanescu@unicredit.ro)

---

## Weekly briefing

**Last week was dominated by central-bank meetings.** The **BoJ ended an era of negative interest rates** with a dovish hike and scrapped yield-curve-control. The **FOMC left interest rates and the pace of balance sheet reduction unchanged.** Fed Chair Powell said that recent (higher) inflation readings had vindicated the central bank's careful approach, but that it hadn't changed the Fed's view that rate cuts are likely to be appropriate "at some point" this year. The "dot plot" shifted up modestly, reflecting higher growth and inflation forecasts, but the median dot still indicated 75bp of rate cuts for this year. Mr. Powell said the Fed would likely slow the pace of balance sheet reduction "fairly soon". **UniCredit Research still expects 125bp of cuts this year, starting in June.**

**ECB President Lagarde indicated that June remains the most likely timing for the first rate cut.** The **eurozone composite PMI for March rose to 49.9** from 49.2, coming in broadly in line with expectations of a moderate increase. The improvement reflects a further moderate acceleration in services activity and ongoing contraction in manufacturing. Taken at face value, the outcome signals a near stabilization in the pace of economic growth, but the composite PMI has underestimated GDP growth in recent quarters. Implications for monetary policy: weak, although improving, growth indicators, slower momentum in the labor market and easing price pressure leave June as the most likely timing of the ECB's first rate cut. **UniCredit Research continues to expect a cumulative 75bp of easing for this year and another 100bp for 2025.**

In Germany, **the ZEW growth expectations index rose to 31.7 in March**, the eighth consecutive increase and the highest level since February 2022. One major trigger is the latest rise in the DAX, which probably lifted the mood of asset managers, who also participate in the ZEW survey. **The Ifo Business Climate indicator increased to 87.8 in March**, its second consecutive increase after two declines in a row at the turn of the year. Both the business expectations and the current situation components increased to 87.5 from 84.4 and to 88.1 from 86.9, respectively. Stronger global trade activity, less-aggressive inventory cuts by manufacturers and declining inflation rates had supported the business sentiment.

**Romanian new orders in the manufacturing sector accelerated by 7.8%mom in January** and the annual growth was 3.5%. Although on a monthly basis most of the sectors registered increases ranging from 5.2% to 11.5%, in yearly terms only the capital goods posted an increase of 10.7%. The other sectors registered decreases: industry of durable consumer goods (-17.9%yoy), the sector of non-durable consumer goods (-6.9%yoy) and the industry of intermediate goods (-3.6%yoy). The recovery in new orders is likely to support a mild improvement of the industrial activity in 1Q 2024.

This week, the **PCE core deflator (Friday) is likely to have risen by 0.3%mom in February**, a slight easing in the pace from the previous month. According to the latest CPI report, core services prices excluding housing rose at a strong, but declining, pace. On average, range bound activity is likely to ultimately prevail this week ahead of the **Catholic Easter break**, given lighter market volume and that many financial centers will be closed on Friday. In Romania, we will have on Tuesday data for the **M3 money supply**.

## Data spotlight: 18 – 22 March

### CURRENCIES - MAJORS

Currencies	Last	1D ch (%)	1M ch (%)
EURUSD	1.0831	0.20%	0.10%
EURCHF	151.38	-0.20%	0.99%
USDJPY	1.26	-0.47%	-0.23%
GBPUSD	1.2360	-0.42%	4.36%

### CURRENCIES - CEE

Currencies	Last	1D ch (%)	1M ch (%)
EURPLN	4.3075	-0.25%	-0.28%
EURHUF	395.80	-0.57%	2.19%
EURCZK	25.28	-0.43%	-0.14%

### CURRENCIES - NBR REFERENCE

Currencies	EUR	USD	SDR	XAU (1g)
25-Mar	4.9711	4.5956	6.0930	320.48

### CURRENCIES - RON

	EURRON	USDRON
25-Mar	4.972	4.590
22-Mar	4.972	4.600
21-Mar	4.973	4.579

### FIXED INCOME MARKET YIELDS - LOCAL

Mid-rate	1Y	3Y	5Y	10Y
25-Mar	6.0	6.0	6.2	6.6
20-Mar	6.0	6.1	6.2	6.6

### MONEY MARKET RATES - LOCAL

ROBOR	ON	1M	3M
25-Mar	6.00	6.05	6.05
22-Mar	6.00	6.00	6.05
21-Mar	6.00	6.05	6.05

### MONEY MARKET RATES - MAJORS

Euribor	1M	3M	6M
22-Mar	3.85	3.90	3.87
21-Mar	3.85	3.93	3.90
20-Mar	3.86	3.92	3.91
USD Libor	1M	3M	6M
22-Mar	5.44	5.57	5.66
21-Mar	5.44	5.58	5.67
20-Mar	5.44	5.59	5.70

### STOCK MARKETS

Index	Last	1D ch (%)	1M ch (%)
S&P 500	5,234.2	-0.14%	5.07%
FTSE	7,893.9	-0.47%	2.43%
Hang Seng	16,473.6	-0.16%	-1.51%
Bucharest BET	16,761.2	0.04%	5.24%

## Romanian and European Economy

### ■ Romanian new orders increased in January

New orders in the manufacturing sector accelerated by 7.8%mom in January and the annual growth was 3.5%. Although on a monthly basis most of the sectors registered increases ranging from 5.2% to 11.5%, in yearly terms only the capital goods posted an increase of 10.7%. The other sectors registered decreases: industry of durable consumer goods (-17.9%yoy), the sector of non-durable consumer goods (-6.9%yoy) and the industry of intermediate goods (-3.6%yoy). The recovery in new orders is likely to support a mild improvement of the industrial activity in 1Q 2024.

### ■ ECB President Lagarde signaled cuts in June

In her speech at the annual The ECB and Its Watchers conference, ECB President Lagarde suggested that the governing council would in all likelihood reduce interest rates in June. However, it will be unable to commit to a particular path of interest rate cuts once it starts to ease monetary policy, despite signs that wage growth has peaked in the eurozone.

### ■ German Ifo business sentiment continued to improve in March

The Ifo Business Climate indicator for Germany increased to 87.8 in March [UniCredit Research: 86.2; consensus: 86] from 85.7, its second consecutive increase after two declines in a row at the turn of the year. Both the business expectations and the current situation components increased to 87.5 from 84.4 and to 88.1 from 86.9, respectively. Stronger global.

## **Data spotlight: 18 – 22 March**

### **European Economy**

trade activity, less-aggressive inventory cuts by manufacturers and declining inflation rates had supported business sentiment

#### ■ **Eurozone PMIs: Improvement with a dovish flavor**

The eurozone composite PMI for March rose to 49.9 from 49.2, coming in broadly in line with expectations of a moderate increase [UniCredit Research and consensus: 49.7]. This is the highest level since June last year. The improvement reflects a further moderate acceleration in services activity and ongoing contraction in manufacturing. Taken at face value, the outcome signals a near stabilization in the pace of economic growth, but the composite PMI has underestimated GDP growth in recent quarters. Therefore, it is probably worth focusing more on the direction than the level of the index. Overall, the data seem consistent with UniCredit Research's forecast that GDP barely expanded in 1Q24 (+0.1%qoq), following several quarters of stagnation. At country level, there were some divergent outcomes across the two largest economies, as weakness in economic activity was widespread in France while, in Germany, it remained concentrated in manufacturing as services activity came close to a near stabilization. The note accompanying the data release for the eurozone indicates that "the rest of the region" performed, once again, better than France and Germany, recording faster growth than in February, especially in services.

In manufacturing, both output and new orders remained under pressure, with the respective indexes being little changed compared to February, stuck in the 46-47 area. Suppliers' delivery times shortened for the second consecutive time, as the impact from the Red Sea disruptions probably faded while demand conditions remained too subdued to put pressure on supply chains. In fact, demand weakness induced firms to cut stocks of purchases at a faster pace, with the respective index recording the second lowest reading since November 2012. Services activity meanwhile accelerated in March, reflecting a further improvement in new and outstanding business. In particular, new business moved back to the 50 threshold for the first time since June last year.

Implications for monetary policy: weak, although improving, growth indicators, slower momentum in the labor market and easing price pressure leave June as the most likely timing of the ECB's first rate cut. UniCredit Research continues to expect a cumulative 75bp of easing for this year and another 100bp for 2025.

#### ■ **German investor morale continued to increase in March**

The ZEW growth expectations index rose to 31.7 in March [UniCredit Research: 22.0; consensus: 20.5] from 19.9 points in February. This is the eighth consecutive increase and the highest level since February 2022. One major trigger is the latest rise in the DAX, which probably lifted the mood of asset managers, who also participate in the ZEW survey. Two-thirds of the analysts are anticipating the ECB and Fed will cut the interest rates over the next 6 months. The current situation component increased slightly to -80.5, which is close to the levels during the first wave of COVID-19 in spring 2020.

***Data spotlight: 18 – 22 March*****US Economy****■ Fed kept outlook for three rate cuts this year**

Last Wednesday, the FOMC left interest rates and the pace of balance sheet reduction unchanged. Fed Chair Powell said that recent (higher) inflation readings had vindicated the central bank's careful approach, but that it hadn't changed the Fed's view that rate cuts are likely to be appropriate "at some point" this year. The "dot plot" shifted up modestly, reflecting higher growth and inflation forecasts, but the median dot still indicated 75bp of rate cuts for this year. Mr. Powell said the Fed would likely slow the pace of balance sheet reduction "fairly soon". UniCredit Research still expects 125bp of cuts this year, starting in June.

## **Data spotlight: 18 – 22 March**

### **International and Romanian Markets**

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

The EURRON traded within the 4.9669-4.9745 range last week and ended the week at 4.9703, 3 pips down compared to the closing of last week. The currency pair was relatively stable as the last week was light in terms of macroeconomic events.

#### ■ **The entire ROBOR curve remained almost flat**

Last week the ROBOR curve was relatively 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%, just 1bp above the end of the previous week. Although the region started to cut the key rate faster than the NBR, the prevailing interbank rates were similar. We expect the NBR to start cutting the key rate at the May meeting.

#### ■ **MinFin auctions**

Last Monday, the Ministry of Finance held an auction for a T-bond with residual maturity of 7.1 years. Bids covered the planned amount, at RON 1.04bn vs. RON 600mn, enabling MinFin to place RON 807mn. The average accepted yield was 6.58% (max 6.59%), up 16bp from the previous reopening six weeks ago.

Last Thursday, the Ministry of Finance held an auction for a T-bond with residual maturity of 6.1 years. Bids covered the planned amount, at RON 1.62bn vs. RON 600mn, enabling MinFin to place RON 1.28bn. The average accepted yield was 6.54% (max 6.55%), down 6bp from the previous reopening six weeks ago.

#### ■ **FX markets**

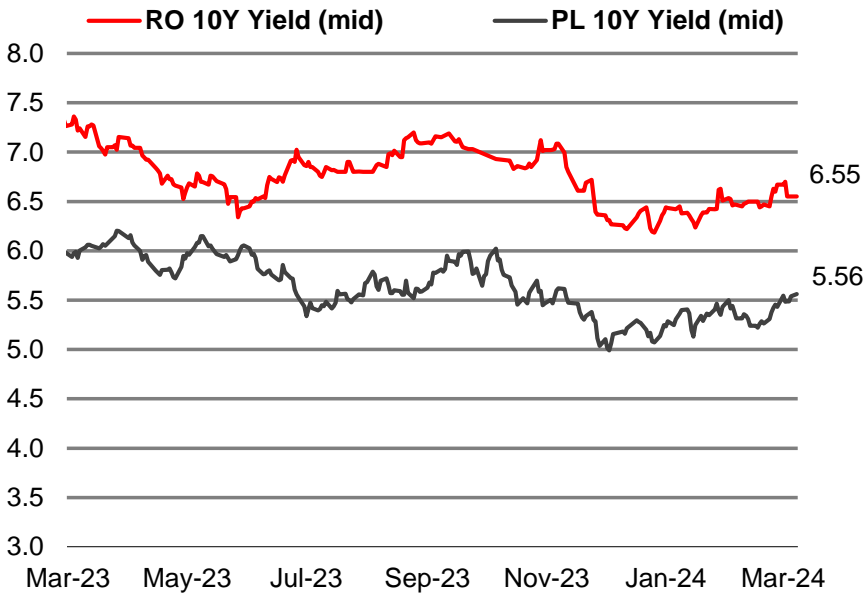
In FX, some position paring might emerge among majors as March and 1Q24 draw to a close. However, on balance, UniCredit Research expects range-bound activity to ultimately prevail this week ahead of the Easter break, given lighter market volume and that many financial centers will be closed on Friday. EUR-USD might still trade between 1.08 and 1.09.

#### ■ **Markets unfazed by BoJ rate hike**

The Bank of Japan has ended an era of negative interest rates, raising borrowing costs for the first time since 2007 after saying its inflation target had come into sight. Following a 7-2 vote, the central bank set a new policy rate range of between 0% and 0.1%, signaling that any decision to hike rates further would remain data dependent. The BoJ also scrapped its complex yield-curve-control program while pledging to continue buying long-term government bonds as needed. It also ended its purchases of exchange-traded funds.

## Focus Ahead: 25 – 29 March

### MinFin Issues



Data Source: Thomson Reuters

- According to the fixing levels, bond yields decreased last week by up to 6bp on the long end, while the short end was stable.
- Although the Fed raised the dot plot, USTs have rallied this week, with the curve steepening. The new dot plot still indicating 75bp of rate cuts this year, along with the recent increase in yields, has been supportive of USTs.
- This week, MinFin intends to place 500mn in 3.2Y T-bonds on Monday and 500mn in 2.5Y T-bonds on Thursday.

### BOND ISSUES - MARCH

ISIN Code	Auction Date	Maturity Date	Months	Planned Amount	Currency	Total Applications	Total Allocated	Yield (avg)
RON7NMKOKQG2	28-Mar-24	28-Oct-26	31	500lei				
ROP9QVD42HO2	25-Mar-24	31-May-27	39	500lei				
ROXL7LT7QZ66	21-Mar-24	29-Apr-30	74	600lei		1,621	1,279	6.54
RO1JS63DR5A5	18-Mar-24	28-Apr-31	87	600lei		1,042	807	6.58
ROWZRTRBXVD3	14-Mar-24	26-Feb-25	12	500lei		1,082	969	6.03
ROWLVEJ2A207	14-Mar-24	30-Oct-33	117	500lei		1,377	800	6.65
RO0DU3PR9NF9	11-Mar-24	24-Feb-38	170	300lei		393	317	6.6
RO7EKTYSRHD6	11-Mar-24	28-Jan-26	23	500lei		1,015	995	6.05
RO0JGJSYGX38	7-Mar-24	25-Sep-24	7	500lei		1,019	739	6.02
ROJVM8ELBDU4	7-Mar-24	25-Apr-29	63	500lei		1,116	698	6.37
ROTM7EDD92S2	4-Mar-24	31-Jul-34	127	300lei		459	346	6.54
RON7NMKOKQG2	4-Mar-24	28-Oct-26	32	500lei		1,021	656	6.13

## Focus Ahead: 25 – 29 March

## Data Calendar

Date	Country	Indicator/Event	Period	UniCredit forecast	Consensus	Previous
26-Mar-2024	GE	Consumer confidence (GfK, index)	Apr	-27.0	-27.3	-29.0
	US	Conference Board Consumer Confidence	Mar	106.0	107.0	106.7
27-Mar-2024	EMU	EC Economic Sentiment (index)	Mar	97.0	96.0	95.4
	Romania	Money supply M3 (% yoy)	Feb			10.8
28-Mar-2024	GE	Unemployment Rate (%)	Mar	5.9	5.9	5.9
	GE	Unemployment Change (thousands, sa)	Mar	7.0	10.0	11.0
	EMU	M3 Money Supply (% yoy)	Feb	0.4	0.3	0.1
	US	Real GDP (% qoq annualized, third estimate)	4Q	3.2	3.2	3.2
29-Mar-2024	US	PCE Core Inflation (% yoy)	Feb	2.8	2.8	2.8
	US	PCE Core Inflation (% mom)	Feb	0.3	0.3	0.4
	US	Personal Expenditures (% mom)	Feb	0.5	0.5	0.2
	US	Personal Income (% mom)	Feb	0.3	0.4	1.0

Data Source: Bloomberg



## Economic Forecasts

### MACROECONOMIC DATA AND FORECASTS

	2021	2022	2023F	2024F	2025F
GDP (EUR bn)	241.7	286.6	322.9	350.7	372.7
Population (mn)	19.2	19.1	19.1	19.1	19.0
GDP per capita (EUR)	12,596	14,979	16,902	18,386	19,566
Real economy, change (%)					
GDP	5.7	4.6	1.4	3.0	1.6
Private Consumption	7.2	6.9	2.6	2.6	0.3
Fixed Investment	2.9	5.6	9.7	4.8	2.1
Public Consumption	1.8	3.1	1.0	1.9	-0.2
Exports	12.6	9.6	-0.4	3.7	4.7
Imports	14.8	9.9	-2.2	3.8	2.4
Monthly wage, nominal (EUR)	1175	1303	1481	1670	1756
Real wage, change (%)	2.0	-2.2	3.1	7.6	1.9
Unemployment rate (%)	5.6	5.6	5.4	5.4	5.5
Fiscal accounts (% of GDP)					
Budget balance	-7.1	-6.2	-6.3	-6.0	-4.6
Primary balance	-5.6	-4.2	-4.2	-3.9	-2.4
Public debt	48.5	47.2	49.3	50.9	52.2
External accounts					
Current account balance (EUR bn)	-17.5	-26.6	-20.8	-18.2	-16.5
Current account balance/GDP (%)	-7.2	-9.3	-6.4	-5.2	-4.4
Extended basic balance/GDP (%)	-1.4	-3.6	-2.3	-1.3	-0.5
Net FDI (% of GDP)	3.7	3.7	2.3	2.0	2.0
Gross foreign debt (% of GDP)	56.5	50.4	52.1	49.6	49.9
FX reserves (EUR bn)	40.5	46.6	59.8	58.6	63.4
Months of imports, goods & services	4.3	4.0	5.0	4.7	4.8
Inflation/Monetary/FX					
CPI (pavg)	5.0	13.7	10.5	6.3	4.9
CPI (eop)	8.2	16.4	6.6	6.0	3.9
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	4.00
3M money market rate (Dec avg)	3.01	7.57	6.22	5.32	3.93
USDRON (eop)	4.37	4.64	4.56	4.51	4.56
EURRON (eop)	4.95	4.95	4.97	5.05	5.15
USDRON (pavg)	4.16	4.68	4.57	4.45	4.40
EURRON (pavg)	4.92	4.93	4.95	5.02	5.10

## **Disclaimer**

Our analyses are based on information obtained from or are based upon public information sources that we consider to be reliable but for the completeness and accuracy of which we assume no liability. All information, estimates, opinions, projections and forecasts included in the report represent the independent judgment of the analysts as of the date of the issue unless stated otherwise. We reserve the right to modify the views expressed herein at any time without notice. Moreover, we reserve the right not to update this information or to discontinue it altogether without notice. This report may contain links to websites of third parties, the content of which is not controlled by UniCredit Bank. No liability is assumed for the content of these third-party websites.

This analysis is for information purposes only, does not represent an investment recommendation and (i) does not constitute or form part of any offer for sale or subscription of or solicitation of any offer to buy or subscribe for any financial, money market or investment instrument or any security, (ii) is neither intended as such an offer for sale or subscription of or solicitation of an offer to buy or subscribe for any financial, money market or investment instrument or any security nor (iii) as marketing material within the meaning of applicable prospectus law. The investment possibilities which may be considered based on this report bear certain risks and may not be appropriate for certain investors depending on their specific investment objectives and time horizon or in the context of their overall financial situation. Among these risks there are, without being limited to, the following: fluctuations in the price or value of an investment, modification of the exchange rates, interest rates or the yields, that may have a negative impact on the value of investments. Furthermore, past performance is not necessarily indicative of future results. Our analysis and conclusions are general and do not address investors' individual objectives.

This information is given as "information only", without any warranty on an "as is" basis and should not be regarded as a substitute for obtaining individual advice. Investors must make their own determination of the appropriateness of an investment in any instruments referred to herein, based on the merits and risks involved, their own investment strategy and their legal, fiscal and financial position. As this document does not qualify as an investment recommendation or as a direct investment recommendation, neither this document nor any part of it shall form the basis of, or be relied on in connection with or act as an inducement to enter into, any contract or commitment whatsoever. Investors are urged to contact their own investment advisors for individual explanations and advice.

Neither UniCredit Bank AG, UniCredit Bank AG London Branch, UniCredit Bank AG Milan Branch, UniCredit Bank AG Vienna Branch, UniCredit Bank Austria AG, UniCredit Bulbank, Zagrebačka banka d.d., UniCredit Bank Czech Republic and Slovakia, ZAO UniCredit Bank Russia, UniCredit Bank Czech Republic and Slovakia Slovakia Branch, UniCredit Bank Romania, UniCredit Bank AG New York Branch nor any of their respective directors, officers or employees nor any other person accepts any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

This analysis is being distributed by electronic and ordinary mail to investors, who are expected to make their own investment decisions without undue reliance on this publication, and may not be redistributed, reproduced or published in whole or in part for any purpose.

This report was completed on 15 January 2024.

### **Responsibility for the content of this publication lies with:**

#### **UniCredit Group and its subsidiaries are subject to regulation by the European Central Bank**

a) UniCredit Bank AG (UniCredit Bank, Munich or Frankfurt), Arabellastraße 12, 81925 Munich, Germany, (also responsible for the distribution pursuant to §85 WpHG).

Regulatory authority: "BaFin" – Bundesanstalt für Finanzdienstleistungsaufsicht, Marie-Curie-Str. 24-28, 60439 Frankfurt, Germany.

b) UniCredit Bank AG London Branch (UniCredit Bank, London), Moor House, 120 London Wall, London EC2Y 5ET, United Kingdom.

Regulatory authority: "BaFin" – Bundesanstalt für Finanzdienstleistungsaufsicht, Marie-Curie-Str. 24-28, 60439 Frankfurt, Germany and subject to limited regulation by the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN, United Kingdom and Prudential Regulation Authority 20 Moorgate, London, EC2R 6DA, United Kingdom. Further details regarding our regulatory status are available on request.

c) UniCredit Bank AG Milan Branch (UniCredit Bank, Milan), Piazza Gae Aulenti, 4 – Torre C, 20154 Milan, Italy, duly authorized by the Bank of Italy to provide investment services.

Regulatory authority: "Bank of Italy", Via Nazionale 91, 00184 Roma, Italy and Bundesanstalt für Finanzdienstleistungsaufsicht, Marie-Curie-Str. 24-28, 60439 Frankfurt, Germany.

- d) UniCredit Bank AG Vienna Branch (UniCredit Bank, Vienna), Rothschildplatz 1, 1020 Vienna, Austria  
Regulatory authority: Finanzmarktaufsichtsbehörde (FMA), Otto-Wagner-Platz 5, 1090 Vienna, Austria and subject to limited regulation by the "BaFin" – Bundesanstalt für Finanzdienstleistungsaufsicht, Marie-Curie-Str. 24-28, 60439 Frankfurt, Germany. Details about the extent of our regulation by the Bundesanstalt für Finanzdienstleistungsaufsicht are available from us on re-quest.
- e) UniCredit Bank Austria AG (Bank Austria), Rothschildplatz 1, 1020 Vienna, Austria  
Regulatory authority: Finanzmarktaufsichtsbehörde (FMA), Otto-Wagner-Platz 5, 1090 Vienna, Austria
- f) UniCredit Bulbank, Sveta Nedelya Sq. 7, BG-1000 Sofia, Bulgaria  
Regulatory authority: Financial Supervision Commission (FSC), 16 Budapeshta str., 1000 Sofia, Bulgaria
- g) Zagrebačka banka d.d., Trg bana Josipa Jelačića 10, HR-10000 Zagreb, Croatia  
Regulatory authority: Croatian Agency for Supervision of Financial Services, Franje Račkoga 6, 10000 Zagreb, Croatia
- h) UniCredit Bank Czech Republic and Slovakia, Želetavská 1525/1, 140 92 Praga 4, Czech Republic  
Regulatory authority: CNB Czech National Bank, Na Příkopě 28, 115 03 Praha 1, Czech Republic
- i) ZAO UniCredit Bank Russia (UniCredit Russia), Prechistsenskaya nab. 9, RF-119034 Moscow, Russia  
Regulatory authority: Federal Service on Financial Markets, 9 Leninsky prospekt, Moscow 119991, Russia
- j) UniCredit Bank Czech Republic and Slovakia, Slovakia Branch, Šancova 1/A, SK-813 33 Bratislava, Slovakia  
Regulatory authority: CNB Czech National Bank, Na Příkopě 28, 115 03 Praha 1, Czech Republic and subject to limited regulation by the National Bank of Slovakia, Imricha Karvaša 1, 813 25 Bratislava, Slovakia. Regulatory authority: National Bank of Slovakia, Imricha Karvaša 1, 813 25 Bratislava, Slovakia
- k) UniCredit Bank Romania (UniCredit Bank S.A.), Bucharest 1F Expozitiei Boulevard, 012101 Bucharest 1, Romania  
Regulatory authority: National Bank of Romania, 25 Lipscani street, 030031, 3rd District, Bucharest, Romania
- l) UniCredit Bank AG New York Branch (UniCredit Bank, New York), 150 East 42nd Street, New York, NY 10017  
Regulatory authority: "BaFin" – Bundesanstalt für Finanzdienstleistungsaufsicht, Marie-Curie-Str. 24-28, 60439 Frankfurt, Germany and New York State Department of Financial Services, One State Street, New York, NY 10004-1511  
Further details regarding our regulatory status are available on request.

## **ANALYST DECLARATION**

The author's remuneration has not been, and will not be, geared to the views expressed in this study, neither directly nor indirectly.

All of the views expressed accurately reflect the analyst's views, which have not been influenced by considerations of UniCredit Bank's business or client relationships.

## **POTENTIAL CONFLICTS OF INTEREST**

You will find a list of keys for company specific regulatory disclosures on our website <https://www.unicreditresearch.eu/index.php?id=disclaimer>. In Romania, UniCredit Bank S.A. acts as primary dealer and market maker specialist for certain government bonds and T-bills issued by the Ministry of Finance. In its role as a primary dealer, UniCredit Bank S.A. can participate in auctions on the primary market organised by the Ministry of Finance, contributes to the management of public debt ran by the Ministry of Finance and can also issue research and analysis reports, including regarding the macroeconomic conditions. As a market maker for various bonds and bills issued by the Ministry of Finance, UniCredit Bank S.A. contributes to the efficiency of the secondary market through its market making activity and through fulfilling its obligation of firm pricing.

## **ORGANIZATIONAL AND ADMINISTRATIVE ARRANGEMENTS TO AVOID AND PREVENT CONFLICTS OF INTEREST**

To prevent or remedy conflicts of interest, UniCredit Bank AG, UniCredit Bank AG London Branch, UniCredit Bank AG Milan Branch, UniCredit Bank AG Vienna Branch, UniCredit Bank Austria AG, UniCredit Bulbank, Zagrebačka banka d.d., UniCredit Bank Czech Republic and Slovakia, ZAO UniCredit Bank Russia, UniCredit Bank Czech Republic and Slovakia Slovakia Branch, UniCredit Bank Romania, UniCredit Bank AG New York Branch have established the organizational arrangements required from a legal and supervisory aspect, adherence to which is monitored by its Compliance Department. Conflicts of interest arising are managed through establishment of information barriers designed to restrict the flow of information between one area/department of UniCredit Bank AG,

Bank Czech Republic and Slovakia, ZAO UniCredit Bank Russia, UniCredit Bank Czech Republic and Slovakia Slovakia Branch, UniCredit Bank Romania, UniCredit Bank AG London Branch, UniCredit Bank AG Milan Branch, UniCredit Bank AG Vienna Branch, UniCredit Bank Austria AG, UniCredit Bulbank, Zagrebačka banka d.d., UniCredit UniCredit Bank AG New York Branch, and another. In particular, the Macroeconomic Research Unit has its own informational barrier to prevent the disclosure or inappropriate circulation of confidential or privileged information. The research re-ports include public information pertaining to conflicts of interest and other material interests. Analysts are supervised and managed on a day-to-day basis by line managers who do not have responsibilities or activities related to investment and finance activities or other activities related to the sale of securities to clients.

**ADDITIONAL REQUIRED DISCLOSURES UNDER THE LAWS AND REGULATIONS OF JURISDICTIONS INDICATED**

You will find a list of further additional required disclosures under the laws and regulations of the jurisdictions indicated on our website <https://www.unicreditresearch.eu/index.php?id=disclaimer> .

**UniCredit Research\***
**CEE Macro & Strategy Research**


**Marco Valli**  
Global Head of Research,  
Chief European Economist  
+39 02 8862-0537  
marco.valli@unicredit.eu



**Dr. Ingo Heimig**  
Head of Research Operations  
& Regulatory Controls  
+49 89 378-13952  
ingo.heimig@unicredit.de

**Head of Macro Research**
**Heads of Strategy Research**


**Marco Valli**  
Global Head of Research,  
Chief European Economist  
+39 02 8862-0537  
marco.valli@unicredit.eu



**Dr. Luca Cazzulani**  
Head of Strategy Research  
FI Strategist  
+39 02 8862-0640  
luca.cazzulani@unicredit.eu



**Elia Lattuga**  
Cross Asset Strategist  
Deputy Head of Strategy Research  
+39 02 8862-0851  
elia.lattuga@unicredit.eu

**EEMEA Economics Research**


**Dan Bucsa**  
Chief CEE Economist  
+44 207 826-1954  
dan.bucsa@unicredit.eu



**Gökçe Çelik**  
Senior CEE Economist  
+44 207 826-1032  
gokce.celik@unicredit.eu



**Mauro Giorgio Marrano**  
Senior CEE Economist  
+43 50505-82712  
mauro.giorgiomarrano@unicredit.eu



**Artem Arkhipov**  
Head, Macroeconomic Analysis  
and Research, Russia  
+7 495 258-7258  
artem.arkhipov@unicredit.ru



**Hrvoje Dolenc**  
Chief Economist, Croatia  
+385 1 6006-678  
hrvoje.dolenc@unicreditgroup.zaba.hr



**Pavel Sobišek**  
Chief Economist, Czech Republic  
+420 955 960-716  
pavel.sobisek@unicreditgroup.cz



**Ľubomír Koršňák**  
Chief Economist, Slovakia  
+421 2 4950 2427  
lubomir.korsnak@unicreditgroup.sk



**Anca Maria Negrescu**  
Senior Economist, Romania  
+40 21 200-1377  
anca.negrescu@unicredit.ro



**Kristofor Pavlov**  
Chief Economist, Bulgaria  
+359 2 923-2192  
kristofor.pavlov@unicreditgroup.bg



**Zsolt Becsey, Jr.**  
Chief Economist, Hungary  
+3630 819 0489  
zsolt.becsey@unicreditgroup.hu

**Cross Asset Strategy Research**
**FX Strategy Research**


**Elia Lattuga**  
Cross Asset Strategist  
Deputy Head of Strategy Research  
+39 02 8862-0851  
elia.lattuga@unicredit.eu



**Eszter Gárgyán, CFA**  
FX Strategist - CEE  
eszter.gargyan@unicredit.de