

## Macroeconomic and Strategic Analysis

UniCredit Weekly Report



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# Romania faces a busy autumn, with the fiscal adjustment ongoing

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08 September, 2025

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## Weekly briefing

In the **US**, the **CPI remained unchanged** from the previous month, at **2.7%yoy in July**, coming in below estimates [UniCredit and consensus: 2.8%]. **Core inflation rose to 3.1%** from 2.8%yoy in the previous month, slightly above expectations. **The US retail sales rose by +0.5%mom in July**, in line with expectations [UniCredit and consensus: 0.5%], following a revised rise of +0.9% in June. **The US employment report for August showed signs of a cooling labor market**, with an increase of the non-farm payrolls by 22K new jobs, well below the expectations and an upwardly revised 79K in July. **The US unemployment rate edged up to 4.3% in August**, after 4.2% in July and reflecting the highest unemployment rate since October of 2021. **The average hourly earnings rose by 0.3%mom in August** to USD 36.53. **The number of job openings declined by 176k to 7.18 million in July**, from 7.36 million in June, coming in below expectations.

In the **eurozone**, **industrial producer prices rose 0.2%yoy in July**, down from 0.6%yoy in June. **Eurozone retail sales decreased by 0.5%mom in July**, overturning an upwardly revised 0.6%mom rise in June. **The annual inflation in the eurozone (flash estimate) rose marginally to 2.1% in August**, up from 2.0% in July and in line expectations [UniCredit: 2.1; Consensus: 2.0]. **Core inflation remained unchanged at 2.3%yoy** for the fourth consecutive time. **Germany's producer prices edged down by 0.1%mom in July**, after a revised increase of 0.1%mom in June. In yearly terms, they declined by 1.5%yoy in July, marking the fifth consecutive decrease. **Germany's industrial production fell by 1.9% mom in June 2025**, following a revised 0.1% decline in May, more than the drop anticipated by the market.

In **Romania**, at its meeting on 8th of August, **the NBR maintained the key rate at 6.50%**, as anticipated. The credit facility rate remained at 7.50% and depo facility rate at 5.50%. **NBR's August Inflation Report showed an upward revision to the annual inflation** anticipated in comparison to the May Inflation Report, by more than 4pp to 8.8% at the end of 2025, but a downward revision by -0.4pp to 3% at the end of 2026. **The headline inflation soared to 7.8%yoy in July** (vs. 5.7% in June), with core inflation rising to 5.8%yoy from 5.65% in June. The acceleration in the headline inflation is largely due to the expiry of the electricity price capping scheme, a supply side shock. **International reserves (incl gold) were EUR 74.9bn at the end of August**, a new historical high. **The GDP grew 0.3%yoy in 2Q2025 in gross terms**, implying that 2025 overall growth is likely to be below 1%. **Retail sales increased by +0.3%mom in July** (vs. +1.1%mom in June, seasonally adjusted). **Industrial production declined by -1%mom** (seasonally adjusted) in June, missing our expectations of an increase (+1.6%mom), after a lighter decrease by 0.4%mom in May. **The unemployment rate dropped 0.2pp to 5.8% in July** versus June 2025. **The trade deficit was EUR 2.37bn in June**, below our expectations and lower by 15.1%yoy (-EUR 0.42bn) as exports increased by 6.3%yoy and imports by 0.6%yoy. **On 15 August 2025, S&P Fitch Ratings affirmed Romania's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BBB-' with a Negative Outlook**. The government focuses on the adoption of the promised fiscal packages, with intense debate within the governing coalition. **Non-governmental loans rose by 0.5%mom in July** (+1.2%mom in June), driven by the FX loans (+1.7%mom vs. 1.5%mom in June), while RON lending stagnated. **Romanian producer prices increased in July (+5.0%mom)**, mainly driven by the prices on the internal market (+6.7%mom).

This week, the **external calendar** includes the **August data for German industrial production** (Monday), **US PPI** (Wednesday), **US August headline and core inflation rate** (Thursday) and the **US Michigan consumer sentiment indicator** (Friday). On Thursday, the **ECB is expected to keep the key rate at the current level**. The Romanian calendar includes the **trade balance** on Tuesday, the **August inflation rate** on Thursday and the **current account** on Friday.

## Data spotlight: 4 August – 5 September

### CURRENCIES - MAJORS

| Currencies | Last   | 1D ch (%) | 1M ch (%) |
|------------|--------|-----------|-----------|
| EURUSD     | 1.1751 | 0.26%     | 0.79%     |
| EURCHF     | 0.94   | 0.03%     | 0.90%     |
| USDJPY     | 147.61 | 0.14%     | 0.18%     |
| GBPUSD     | 1.3545 | 0.28%     | 1.46%     |

### CURRENCIES - CEE

| Currencies | Last   | 1D ch (%) | 1M ch (%) |
|------------|--------|-----------|-----------|
| EURPLN     | 4.2490 | -0.04%    | -0.55%    |
| EURHUF     | 393.55 | 0.24%     | -1.11%    |
| EURCZK     | 24.37  | -0.02%    | -0.76%    |

### CURRENCIES - NBR REFERENCE

| Currencies | EUR    | USD    | SDR    | XAU (1g) |
|------------|--------|--------|--------|----------|
| 8-Sep      | 5.0716 | 4.3253 | 1.3000 | 0.5551   |

### CURRENCIES - RON

|       | EURRON | USD RON |
|-------|--------|---------|
| 8-Sep | 5.073  | 4.317   |
| 5-Sep | 5.078  | 4.331   |
| 4-Sep | 5.077  | 4.358   |

### FIXED INCOME MARKET YIELDS - LOCAL

| Mid-rate | 1Y  | 3Y  | 5Y  | 10Y |
|----------|-----|-----|-----|-----|
| 8-Sep    | 7.0 | 7.4 | 7.5 | 7.5 |
| 5-Sep    | 7.0 | 7.3 | 7.5 | 7.5 |
| 3-Sep    | 6.9 | 7.4 | 7.5 | 7.5 |

### MONEY MARKET RATES - LOCAL

| ROBOR | ON   | 1M   | 3M   |
|-------|------|------|------|
| 8-Sep | 5.94 | 6.15 | 6.55 |
| 5-Sep | 5.75 | 6.33 | 6.54 |
| 4-Sep | 5.79 | 6.16 | 6.52 |

### MONEY MARKET RATES - MAJORS

| Euribor | 1M   | 3M   | 6M   |
|---------|------|------|------|
| 5-Sep   | 1.88 | 2.05 | 2.10 |
| 4-Sep   | 1.87 | 2.08 | 2.10 |
| 3-Sep   | 1.89 | 2.08 | 2.10 |
| USDSFOR | 1M   | 3M   | 6M   |
| 5-Sep   | 4.36 | 4.36 | 4.38 |
| 4-Sep   | 4.36 | 4.36 | 4.38 |
| 3-Sep   | 4.36 | 4.36 | 4.38 |

### STOCK MARKETS

| Index         | Last     | 1D ch (%) | 1M ch (%) |
|---------------|----------|-----------|-----------|
| S&P 500       | 6,481.5  | -0.32%    | 2.89%     |
| FTSE          | 45,908.0 | 0.01%     | 0.07%     |
| Hang Seng     | 43,643.8 | 1.45%     | 6.29%     |
| Bucharest BET | 25,633.9 | 0.85%     | 3.12%     |

## Romanian Economy

### ■ The NBR maintained the key rate at 6.50% in August

At its meeting on 8 August, the NBR maintained the key rate at 6.50%, as anticipated. The credit facility rate remained at 7.50% and depo facility rate at 5.50%. The NBR kept the existing levels of minimum reserves for both RON and FX liabilities of credit institutions.

The NBR assessed the available data that highlighted a rising inflation in June up to 5.66% (from 5.45% in May) due to further hikes in food and fuel prices that could not be compensated by decreases in electricity and natural gas prices. Furthermore, the annual adjusted CORE2 inflation rate rose to 5.7% in June (from 5.2% in March) due to agri-food commodity prices, rising salary costs that were transferred to consumer prices as well as by the increases in short-term inflation expectations and in the EUR/RON exchange rate.

The NBR also stated that new statistical data reconfirm the standstill in economic activity in 1Q25, with a lower annual growth of 0.3% caused by the drop in internal demand, after a 0.5%yoy expansion in the previous quarter; a modest quarterly economic growth is envisaged for 2Q25.

The annual growth rate of the trade deficit re-accelerated in 1Q 2025, in the context of relatively weaker terms of trade, while the current account deficit continued to report a very fast year-on-year pace of increase. On the labour market there are decreases in the number of employees in April and May and a drop in the ILO unemployment rate for 2Q 2025 overall, after rising to 6.0% in 1Q, while

## **Data spotlight: 4 August – 5 September**

### **Romanian Economy (continued)**

the July 2025 surveys point to a sharp decline in employment intentions over the very short horizon in major sectors. The annual growth rate of the average nominal gross wage continued to temper in the first two months of 2Q25.

The first package of corrective fiscal measures was completed and adopted in July 2025, improving financial investors' expectations on the prospects of budget consolidation and strengthening the normalization trend of financial markets.

The annual growth rate of credit to the private sector dropped in June 2025 to 9.1% from 9.7% in May, and the share of the domestic currency component in credit to the private sector thus continued to narrow mildly, to 69.7% in June from 69.8% in May.

During the meeting, the NBR analyzed the August 2025 Inflation report which forecasts a jump in annual inflation rate in 3Q 2025 due to the expiry of the electricity price capping scheme and the increase in VAT rates and excise duties starting from 1 August, while in the following three quarters it will come down relatively slowly, on a fluctuating path considerably higher than that in the previous projection. High uncertainties and risks to the outlook for economic activity and for the medium-term inflation developments, continue to come from the external sources, given the war in Ukraine and the Middle East situation, but especially amid the global trade tensions, affecting the developments in the global economy and in international trade, as well as amid the potential effects generated by the US-EU trade agreement.

The NBR stated that under the current circumstances, the full absorption and use of EU funds, especially those under the Next Generation EU programme, are crucial for partly counterbalancing the contractionary effects of the budget consolidation and of geopolitical/trade conflicts, as well as for implementing the necessary structural reforms, energy transition included.

### ■ **NBR's August Inflation Report showed a strong upward revision for 2025 forecast**

As expected, the NBR's August Inflation Report showed an upward revision to the annual inflation anticipated in comparison to the May Inflation Report, by more than 4pp to 8.8% at the end of 2025, but a downward change by -0.4pp to 3% at the end of 2026. This forecast was based on data before the July inflation data was published and does not include the full scope of the jump in electricity prices, after the liberalization of energy markets. Similar revisions were seen for the adjusted CORE2 forecast, placing the indicator higher at 6.8% (vs. 4.5% previously) at the end of 2025 and lower at 2.7% (vs. 3.2%) at the end of 2026. The more than 4pp added to the inflation forecast are mainly attributed to the rise in VAT and excise taxes (2pp), electric energy and natural gas (1.5pp) and the unfavourable weather conditions for fruits and vegetables (0.4pp). The forecast may change if any other, yet unannounced, fiscal measures will follow.

## **Data spotlight: 4 August – 5 September**

### **Romanian Economy (continued)**

The main takeaways from the press conference are:

- The governor mentioned several times that the absorption of EU funds is vital for this year, with economic growth and even avoiding a recession being dependent on the ability to unlock and utilize frozen funds. He roughly estimated the GDP growth for the next 12 months in the 0.6-1% unlikely but mentioned the possibility of this estimate being too optimistic.
- Mr. Isărescu emphasized that the central bank “significantly” increased its reserves during the summer months, returning to the levels prevailing before the strong NBR intervention against a sharp RON depreciation in May.
- When asked about the accession to the euro, he mentioned that there is no official timeframe and that one can only be set after the country’s budget deficit will be close to the 3% of GDP limit.
- Reaching the deficit target of 7% of GDP by the end of the year is uncertain according to the governor but a decrease in deficit will be positively regarded by investors and rating agencies. Moreover, he strongly emphasised the importance of maintaining political and social stability and introducing the next round of fiscal-budgetary measures.
- Regarding the key rate, Mr. Isărescu confirmed that a key rate cut in 2025 is unlikely but underlined the likelihood of a decrease in ROBOR rates in case of favorable liquidity conditions and a stable political landscape.

We expect no key rate cut in 2025, although the central bank could maintain an easing bias to support the economic activity. At the same time, there is a significant risk that key rate cuts will only be possible in 2H26, when inflation will return closer to the 1.5%-3.5% target range.

### ■ **The annual headline and core inflation jumped in July, to 7.8% and 5.8%, respectively**

The headline inflation soared to 7.8%yoy in July (vs. 5.7% in June), above our expectations [UniCredit: 6%], with core inflation rising to 5.8%yoy from 5.65% in June. The jump in the headline inflation is largely due to a supply side shock, namely the expiry of the electricity price capping scheme, whose impact will disappear after 12 months. The monthly increase was a strong 2.68% with prices rising for all the categories in the consumer basket, by +5.1%mom for non-food products, +1.0%mom for services and +0.4%mom for food products. In the food category, the highest pressure came from volatile prices, like cocoa and coffee (+1.2%mom), sugar and honey (+1%mom), fruit and tinned fruit (+0.9%mom). In the non-food category, the highest jumps were recorded for energy (+35%mom), with electric energy soaring by +61.6%mom and gas rising by +3.3%mom. This jump in electric energy prices is the reason behind our forecasting error, with prices soaring more than we penciled in after the liberalization of the energy market. Other significant rises were recorded for tobacco products (+0.9%mom), refrigerators (+0.6%mom), watches and sporting and audio/video products

## **Data spotlight: 4 August – 5 September**

### **Romanian Economy (continued)**

(+0.5%mom). Fuel prices rose only slightly, by 0.2%mom.

The highest rise in service prices came from other services like interurban transport (+2.2%mom), with air travel jumping by +7.6%mom and bus travel by 2.2%mom, water supply, sewage collection (+1.8%mom) and payments for accommodation in hotels (+0.9%mom).

Our current estimate places the headline inflation at around 10%yoy at the end of 2025 and 4.7%yoy at the end of 2026. We continue to see upside risks to our inflation forecast coming from new or increased taxes affecting directly or indirectly consumer prices, excise taxes, persistent upward pressure on food prices, and supply-side global shocks.

#### ■ **Romanian foreign exchange reserves touched a new historical high in August**

Foreign exchange reserves increased by EUR 1.9bn at the end of August vs. July, to EUR 65.2bn. The monthly inflows amounted to EUR 3.3bn (supported by changes in credit institutions' foreign currency-denominated required reserves with the NBR; inflows into the Ministry of Finance's accounts; inflows into the European Commission's account and other), while the outflows amounted to EUR 1.4bn (changes in credit institutions' foreign currency-denominated required reserves with the NBR; interest payments and principal repayments on foreign currency public debt and other). The stock of gold was unchanged at 103.6 tones, while its value rose to EUR 9.7bn. International reserves (incl gold) were EUR 74.9bn at the end of August reaching a new historical high.

#### ■ **Mild economic growth in 2Q25, of 0.3%yoy**

The NIS released the first provisional data for GDP growth in 2Q2025, showing +0.3%yoy in gross terms (the same as in 1Q2025), implying no revision compared to the flash estimate. On the supply side, the largest positive contributors to the 0.3%yoy growth in 1H were net taxes on products with 0.5pp, constructions with 0.3pp, followed by IT&C with 0.1pp. Industry had the largest negative contribution (-0.3pp) followed by professional, scientific and technical activities (-0.2pp) and wholesale and retail sectors (-0.1pp). The other sectors had zero contributions. On the demand side, the main contribution came from consumption (+0.4pp), with increases in private consumption (+0.9pp) which offset the decrease in public consumption (-0.5pp). The gross fixed capital formation and inventories had a positive contribution to GDP as well, by +0.5pp and +0.8pp, respectively, while net exports had a negative contribution (-1.4pp), as the imports rose 5.6%yoy, while exports (2.8%yoy) were affected by a modest performance in industrial activity.

The 2Q25 GDP details show below-expectations performance in wholesale and retail trade and in real estate transactions, with both sectors facing risks of a modest growth or even a yearly contraction in 2H25 due to the first fiscal package implemented as of 1 August. As a reminder, as of August 2025,



## **Data spotlight: 4 August – 5 September**

### **Romanian Economy (continued)**

the general VAT rate was hiked by 2pp to 21%, the reduced VAT rate to 11% from 5%/9% (including the VAT rate for house purchases which was hiked to 21% from 9%), along with an increase in excise taxes, all expected to temper consumption, investment and real estate transactions.

Our 1% growth forecast for 2025 seems too optimistic at this stage and a downward revision is likely this autumn towards a figure more consistent with a stagnation. We continue to expect that a recession will be avoided, but 2025 growth is highly uncertain considering that: 1) the exact impact of the fiscal measures is difficult to anticipate; 2) our optimistic outlook for constructions is subject to downside risks due to the cost-cutting measures and frozen funds related to the government's investment projects; and 3) agriculture continues to be highly weather-dependent. For example, a weak agricultural output and no growth in constructions in 2H25 would subtract 0.3pp and 0.2p, respectively, from our baseline scenario which assumes a good agricultural year and almost 4%yoy growth in constructions in 2025.

#### ■ **Romanian retail sales continued to increase in July**

On a monthly basis, retail sales (seasonally adjusted) increased by +0.3%mom, the second month of expansion (+1.1%mom in June), after a -0.5%mom in May. The sales increased across the board, rising for automotive fuels in specialized stores (+1.4%mom), for non-food products (+0.6%mom) and for food, beverages and tobacco (+0.1%mom). The annual growth of retail sales accelerated to 5.3%yoy in July (gross data), higher than expected, picking up from 2.9%yoy in June.

This uptick in retail sales can be explained partially by the increase in the intensity of goods purchased by consumers to stock up before the August hike in VAT and excise taxes. This kind of reaction is a one-time event, and we expect retail sales to resume the decelerating trend from August, considering that we expect the consumer spending power to decrease due to the combined effect of the decelerating real wage growth due to the rising inflation and the tempering economic activity due to the fiscal consolidation measures. Thus, after a strong +8.6%yoy in 2024 overall, we expect a significant slowdown in retail sales over the course of 2025, with growth for the full 2025 not surpassing the +3.1%yoy growth visible in the first seven months of the year.

#### ■ **The average net salary increased in June**

The average net salary rose by 0.6%mom in June, to RON 5,539. The annual growth pace slowed down to 7.0%yoy from 7.6%yoy in May. The highest net salary rises in June were of +10.7% in publishing activities and 10.1% in manufacture of motor vehicles, followed by an increase between 5.5% and 8.5% in manufacture of coke and refined petroleum products, telecommunications,

## **Data spotlight: 4 August – 5 September**

### **Romanian Economy (continued)**

manufacture of computer, electronic and optical products, mining support service activities, insurance, reinsurance and pension funding (except compulsory social security). The biggest decreases were recorded between 3.0% and 6.0% in real estate activities, financial service activities (except insurance and pension funding), water transport, manufacture of tobacco products, manufacture of paper and paper products, printing and reproduction of recorded media, electricity, gas, steam and air conditioning production and supply.

#### ■ **ILO unemployment dropped 0.2pp to 5.8% in July**

The unemployment rate dropped 0.2pp to 5.8% in July versus June 2025. In annual terms, the jobless rate increased by 0.1pp vs. July 2024. The active population declined by 30k from June 2025 to 8.14 million, and by 134k people vs. July 2024.

#### ■ **Romanian industrial production declined for the second month in June**

Industrial production declined by -1%mom (seasonally adjusted data) in June, missing our expectations of an increase (+1.6%mom), after a lighter decrease by 0.4%mom in May. The evolution was triggered by the decline in all the three sectors: -1.9%mom in mining, -0.7%mom in energy production and -0.3%mom in manufacturing. This was likely due to the industrial production decline in Germany (-1.9%mom in June), our main trading partner (accounting for 20% of our exports). On the other hand, Italy (+0.2%mom) and France (+3.8%mom) rebounded from May's decreases. Compared to the corresponding month of 2024, the Romanian industrial production was down by 0.8%yoy (after +4%yoy in May on adjusted data).

#### ■ **Romanian producer prices increased in July**

Romanian producer prices increased in July (+5.0%mom), mainly driven by the prices on the internal market (+6.7%mom), while on the external market the prices increased only slightly (+0.7%mom). Among the three main categories, the biggest increase was recorded by prices of production and supply of electricity, gas, steam and air conditioning (+17.8%mom), while extractive industry and manufacturing recorded mild increases (+1.2% and +0.6%, respectively). Regarding manufacturing, the biggest advances in prices were recorded by the manufacture of coke and refined petroleum products (+2.9%mom), followed by the manufacture of tobacco products (+2.2%mom), while price decreases were recorded by other means of transport (-2.1%mom) and computers, electronic and optical products (-1.5%mom). The annual dynamic of producer prices reversed to an increase of 2.7%yoy in July compared to the decrease of 0.3%yoy the previous month.

The increase in industrial production prices in July was influenced by the anticipation of fiscal



## **Data spotlight: 4 August – 5 September**

### **Romanian Economy (continued)**

changes introduced by the government at the beginning of August. New contracts may have already incorporated the tax hikes into the prices resulting in July's PPI inflation uptick.

#### ■ **The Romanian trade deficit was EUR 2.4bn in June 2025**

The trade deficit was EUR 2.37bn in June, below our expectations [UniCredit: 2.7], lower by 15.1%yoy (-EUR 0.42bn) as exports increased by 6.3%yoy and imports by 0.6%yoy. During 1H 2025, the exports increased by 3.1%yoy and the imports by 4.9%yoy, resulting in a trade deficit up by 10.7%yoy. Most of the import categories rose, with the largest increases in volumes for machinery and transport equipment (+4.1%yoy, +EUR 918mn), followed by chemicals and related products (+6.4%yoy, +EUR 573mn), mineral fuels and lubricants (+9.0%yoy, +EUR 420mn), miscellaneous manufactured articles (+5.4%yoy, +EUR 366mn), manufactured goods (raw materials) (+2.8%yoy, +EUR 299mn), food and live animals (+5.3%yoy, +EUR 294mn). The only category of imports that declined was raw, inedible materials, excluding fuel, dropping by 1%yoy. On the exports' side, the largest increase in volumes was seen for mineral fuels, lubricants and related minerals (+33.8%yoy, +EUR 697mn), machinery and transport equipment (+2.6%yoy, +EUR 576mn), food and live animals (+7.3%yoy, +EUR 230mn), chemicals and related products (+7.8%yoy, +EUR 198) beverages and tobacco (+10.7%yoy, +EUR 125mn). The largest decline by volume was for manufactured goods (raw materials) (-4.3%yoy, - EUR 318mn), raw, inedible materials, excluding fuel (-6.4%yoy, -EUR 94mn), miscellaneous manufactured articles (-1.4%yoy, - EUR 87mn) and animal and vegetable oils, fats, waxes (-24.8%yoy, -EUR 47mn). Around 72% of the trade activity was with the European Union. We expect the growth of the trade deficit to temper as we approach year-end, with imports slowing down due to the weaker consumption, although exports will continue to be affected by the still weak external demand and the potential effects of the trade war on the EU economy.

#### ■ **Fitch affirmed Romania's rating at BBB- with negative outlook**

On 15 August 2025, S&P Fitch Ratings affirmed Romania's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BBB-' with a Negative Outlook.

The Agency mentioned as strong points the EU membership, related capital inflows, GDP per capita and governance that are above 'BBB' category peers, but these are counterbalanced by the large and persistent twin budget and current account deficits, acceleration of public debt, political uncertainty and fairly high net external debt.

The Negative Outlook showcases the significant deterioration of Romania's public finances, as Romania has a large fiscal deficit and rapidly rising government debt/GDP. The new government has introduced an ambitious first fiscal consolidation package but there are implementation challenges including socio-economic costs and significant risks coming from the weak growth and high political polarization (besides tensions within government coalition there is also a strong support for far-right populist parties).

## **Data spotlight: 4 August – 5 September**

### **Romanian Economy (continued)**

Regarding the fiscal consolidation, Fitch Agency emphasizes that Romania starts from a very weak position in 2024, with the general government fiscal deficit at 9.3% of GDP. After measures implemented at end of 2024 by the previous government, the July package is estimated by the government to have a budgetary impact of around 1% of GDP this year with VAT increases (2pp of the standard rate, 2-6pp of the reduced rate), in effect from August 2025 as the main revenue-side measure. Further fiscal packages are scheduled for the beginning of 2026, including one more year of the nominal freeze of public sector wages and pensions.

In terms of Romania's general government budget deficit, the Agency projects 7.4% of GDP in 2025 (a better figure compared to the 8% estimated by the Prime Minister Bolojan), 6.3% in 2026 and 5.9% in 2027, among the highest in the 'BBB' category. Further fiscal consolidation measures on the revenue and expenditure sides, which are prepared but not yet finalized by the government in close cooperation with the European Commission, haven't been included in the agency's projections.

As far as the macroeconomic scenario is concerned, there are the following main challenges pictured by Fitch:

- prolonged weak growth: a forecasted 0.7% GDP growth in the current year, around 1.2% in 2026 and 2027, benefiting from the counter-cyclical stimulus of EU funds and some recovery in eurozone growth.
- high, persistent inflation: a rating weakness for Romania, worsened by the inflationary impact of the VAT increases, estimated to reach 8.8% in 2025 by the NBR in the August inflation report.
- increasing public debt: 55% of GDP at end-2024 (slightly below the 'BBB' current median of 56%) but projected to continue to increase to 63.4% in 2027 and even 70% by 2029.
- wide external imbalances: the current account deficit (CAD) widened to 8.4% of GDP in 2024 from 6.6% in 2023 (due to export weakness and continued import growth) and is forecasted to shrink to less than 7% of GDP by 2026 (due to the fall in import demand from the public and private sector as fiscal consolidation leads to a fall in real disposable incomes). The 'BBB' current median CAD is only 1% of GDP, making Romania a clear outlier. The net external debt is forecasted to increase to 26% of GDP in 2027 from 22% in 2024, significantly above the projected 3% for the 'BBB' median.

Fitch mentions that failure to implement additional fiscal consolidation measures that would result in public debt stabilization over the medium term could lead to negative rating action/downgrade. Some factors which could lead to a downgrade include: the lack of sufficient fiscal consolidation in the medium term, a significant increase in the public debt/GDP ratio, and the loss of the credibility of public policies, macroeconomic stability, and external financing due to excessive twin deficits. We believe that if the current government coalition holds and continues to work and implement the already announced second and third packaged of fiscal and budgetary measures, with no macroeconomic shocks coming from external sources, Romania will avoid a rating downgrade.

## **Data spotlight: 4 August – 5 September**

### **Romanian Economy (continued)**

The next rating review is scheduled for 12 September by Moody's and we expect the agency to maintain our investment grade rating with a negative outlook, considering that for now the fiscal adjustment plan was respected.

#### ■ **The budget deficit was 4.04% of GDP at end-July 2025, higher by 7.6%yoy**

The budget deficit for the first seven months of 2025 rose to 4.04% of GDP (RON 76.4bn), higher by +7.6% in nominal terms than the deficit of RON 71.0bn in 7M24 and the same as share in GDP (4.04% in 7M24).

The growth of revenue slowed to +11.8%yoy (vs. +12.7%yoy at end-Jun 2025) and the one of expenditure to +11.1%yoy (vs. +12.1%yoy at end-Jun).

The highest revenue increases came from fiscal revenue (+RON 17.3bn; +10.3%yoy) mainly driven by the income tax (+RON 8.6bn, +15.2%yoy), income from VAT (+RON 3.8bn, +5.7%, up from 3.8% the previous month) and income from excise taxes (+RON 3.1bn, +13.2%yoy, up from +11.9%yoy in Jun). The social insurance contributions rose (+RON 11.8bn; +10.8%yoy), along with revenue from EU funds (+RON 5.6bn; +57.7%yoy) and PNRR (+RON 4.1bn; +134.6%yoy).

After the first fiscal consolidation package was implemented as of 1 August, the government assumed the responsibility in Parliament for the second package on 1 September, one month later versus the initial plan. This triggered four no-confidence motions filed by the opposition, which failed by a large margin to meet the necessary votes on 7 September. The package is targeting the special pensions for magistrates, the healthcare system, local administration, fiscal measures, corporate governance, and the efficiency of some autonomous authorities. Considering that all are delicate subjects, there were intense negotiations and conflicting views within the governing coalition, along with increasingly strong opposition from those affected by the measures. This package was split in six laws to mitigate the risk that a ruling against at least one of them by the Romanian Constitutional Court would delay the whole package, with the package for the reform of the local administration still under debate in the coalition and plans for adoption by mid-September. At the same time, the judges of the High Court of Cassation and Justice unanimously decided to refer the law amending the magistrates' pension system to the Romanian Constitutional Court (CCR). The Romanian Constitutional Court of Romania (CCR) will debate the matter on 24 September.

In our view, we will continue to have high uncertainty regarding future fiscal measures, with prolonged negotiations, carried out until the last moment in the coalition. Given the magnitude of the needed adjustment, it is likely that sooner or later everyone will have to contribute to reducing the deficit, which will lead to lower consumption and investment. At the same time, after the summer break, we are likely to see more protests and increasing opposition from those affected by the measures.

## **Data spotlight: 4 August – 5 September**

### **Romanian Economy (continued)**

Yet, any concessions made by the government to a sector imply tightening for other sectors, considering that the fiscal adjustment which must be undertaken by Romania is not negotiable. Of course, the risk of the pro-European coalition breaking up persists, but we do not believe that this will happen before the adoption of the fiscal measures because the stakes are too high.

In terms of financing, Romania is enjoying a favorable position, with 81.3% of the needs for 2025 already financed by 8 August 2025 according to the figures published by the Ministry of Finance. Despite adopting these fiscal measures, the 7% of GDP target for this year will not be met, with a level of 8.5% of GDP more likely, according to our estimates. Yet, we do not expect this to trigger rating actions, with attention shifting towards meeting the 2026 deficit target of 6.4% of GDP.

#### ■ **Non-governmental loans slowed down further, while deposits accelerated in July**

Non-governmental loans rose by 0.5%mom in July, slightly slower than +1.2%mom in June, driven by the FX loans which grew by 1.7%mom (accelerating from 1.5%mom in June), while RON lending stagnated with a 0%mom change (vs. 1.1%mom). In yearly terms, the non-governmental loans tempered their growth to 8.7%yoy (+9.0%yoy in June), as RON lending slowed to 8.6%yoy (from +10%yoy in June), while the FX loans continued to accelerate, more than tripling their pace from 12 months before, to 8.9%yoy in July 2025.

The outstanding loans to households in RON rose by 1.3%mom (vs. 1.0%mom in June), while those in FX declined by 1.5%mom (marking the second month of declines). Companies' loans kept a strongpace of +1.2%mom (+1.4% in June), with the RON loans declining by 1.6%mom (vs. +1.4% in June) and the FX component picking up to 4.4%mom (vs. +2.1%). In yearly terms, the lending to individuals rose by 10%yoy, accelerating slightly. Consumer lending continued to grow double-digit (+14.6%yoy) and mortgage lending registered another slight acceleration, to +6.7%yoy (vs. +6.3%yoy in June). The loans to companies rose by +7.7%yoy.

The residents' savings increased by 0.9%mom (after -0.8% in June), as RON deposits increased by 1.1%mom (after -1.2%), while FX deposits picked up to +0.4%mom after no movement the previous month.

Deposits of households rose by +0.3%mom (from +0.4%), mainly due to RON savings (+0.4%mom vs. +0.5%mom in June), while companies' deposits increased by 1.9%mom (vs. -2.8%mom in June), with 2.3%mom for the RON deposits and 1.1%mom for the FX deposits (vs. -3.6%mom and -0.6%mom in June, respectively). In yearly terms, the growth of total deposits accelerated to 8.1%yoy (from 7.5% in June).

Companies' savings pace picked up to 5.6%yoy (vs. 3.5% in June 2025) due to a decline in RON deposits (-0.5%yoy), while the FX corporate deposits continued their double digits growth pace to 25.5%yoy in June 2025. Individuals' savings increased by 9.7%yoy (vs. +10.1% in June), with the FX component rising by +15.8%yoy and RON deposits by 6.6%yoy.

## **Data spotlight: 4 August – 5 September**

### **European Economy**

#### ■ **German industrial production fell 1.9%mom**

Germany's industrial production fell by 1.9% mom in June 2025, following a revised 0.1% decline in May, more than the drop anticipated by the market [UniCredit: -0.3; Consensus: -0.5]. This marked the sharpest contraction in industrial activity since July 2024, caused mainly by significant drops in pharmaceuticals (-11.0%mom), the food industry (-6.3%mom) and the manufacture of machinery and equipment (-5.3%mom). Production in industry therefore reached the lowest level since May 2020, when it decreased dramatically due to the Covid-19 pandemic. Among the major industrial groups, production of consumer goods fell by 5.6%mom, capital goods by 3.2%mom, and intermediate goods edged down 0.6%mom. On the flipside, energy production rose 3.1%. In respective of the three major industrial groups, production of consumer goods dropped 5.6%, capital goods fell 3.2%, and intermediate goods edged down 0.6%.

On a three-month basis, industrial output was 2.3% lower in Q2 compared to 1Q 2025. On a yearly basis, industrial activity dropped by 3.6% in June, accelerating from a 0.2% decline in May.

#### ■ **German producer prices declined in July**

Germany's producer prices edged down by 0.1%mom in July, after a revised increase of 0.1%mom mom in June. In yearly terms, they declined by 1.5%yoy In July, marking the fifth consecutive decrease. The energy prices fell by 6.8%yoy, especially for natural gas (-8.6%yoy), mineral oil products (-7.9%yoy) and electricity (-7.8%yoy). Moreover, prices for intermediate goods dropped by 0.9%yoy, while they rose for non-durable consumer goods (+3.5%yoy), durable consumer goods (+1.9%yoy) and capital goods (+1.8%yoy). Removing energy, producer prices rose by 1.0%.

#### ■ **Eurozone industrial producer prices increased slightly in July**

In annual terms, industrial producer prices rose 0.2%yoy in July, down from 0.6%yoy in June. This deceleration was due to lower prices in energy (-1.2%yoy vs. 0.0%yoy last month) and intermediate goods (-0.3%yoy vs.-0.1%yoy in June) even if consistent price gains were recorded in non-durable consumer goods (1.9% the same as in June), capital goods (1.8% vs 1.7%) and durable consumer goods (1.7% vs 1.5%). On a monthly basis, the eurozone producer prices also decelerated, increasing only by 0.4%mom in July from 0.8%mom in June.

#### ■ **Eurozone headline inflation increased slightly in August**

The annual inflation in the eurozone (flash estimate) rose marginally to 2.1% in August, up from 2.0% in July and in line expectations [UniCredit: 2.1; Consensus: 2.0]. This evolution was driven by the expected highest annual rate of 3.2% (vs. 3.3% in July) of food, alcohol & tobacco, followed by services (3.1%, compared with 3.2% in July), while non-energy industrial goods remained stable at 0.8%as in July) and energy decreased by -1.9% (vs. -2.4% in July). Among major economies, inflation in Germany increased to 2.1% (from 1.8% the previous month),

## **Data spotlight: 4 August – 5 September**

### **European Economy (continued)**

while Italy and Spain's rate held steady. Core inflation (excl. volatile food and energy) remained unchanged at 2.3%yoy for the fourth consecutive time in August of 2025 [UniCredit: 2.3; Consensus: 2.2].

The ECB will likely leave interest rates unchanged on 11 September without providing any major policy signals for the months ahead. With inflation back to 2% on a sustainable basis and the economy weathering the storm of higher US tariffs, the new macroeconomic forecasts will probably show a picture very similar to that of June. While the Governing Council seems relieved by the resilience of business sentiment and the labour market in the wake of high trade-policy uncertainty, risks to economic activity will probably still be regarded as tilted to the downside. Next year, inflation is more likely to settle below, rather than above, 2% amid weak economic activity, slowing wage growth and trade diversion from China. Therefore, the ECB will probably leave the door open for a further rate reduction. UniCredit expects the deposit rate to remain at 2% throughout 2026, although the market is unlikely to completely price out a final 25bp rate cut over the next three to six months.

### ■ **Eurozone retail sales decreased in July**

Eurozone retail sales decreased by 0.5%mom in July, overturning an upwardly revised 0.6%mom rise in June. This sharp drop was attributed to a decrease in food, drinks and tobacco products (-1.1%mom) and a -1.7%mom slump in automotive fuel sales. In contrast, the sale of non-food products rose by 0.2%mom, extending the 0.6% increase in the previous month. Among the Eurozone's largest economies, retail trade slipped by 1.5%mom in Germany and fell by 0.4%mom in Spain, while remaining unchanged for a third month in France.



## **Data spotlight: 4 August – 5 September**

### **US Economy**

#### ■ **The US headline inflation remained steady while core inflation accelerated in July**

The US CPI remained unchanged at 2.7%yoy in July, from the previous month, coming below estimates [UniCredit and consensus: 2.8%]. The prices accelerated for used cars (4.8%yoy vs. 2.8% in June), transportation services (3.5% vs. 3.4%), and new cars and trucks (0.4% vs. 0.2%) while inflation for food remained unchanged (2.9%). On the contrary, inflation tempered slightly for shelter (3.7% vs. 3.8%). Furthermore, energy costs declined much more (-1.6% from -0.8% the previous month). Prices for gasoline (-9.5% vs -8.3%) and fuel oil (-2.9% vs -4.7%) continued to decrease while the rise for natural gas prices remained elevated (13.8% vs 14.2%). The monthly CPI rose by +0.2%, after +0.3%mom in June. Core inflation rose to 3.1% from 2.8%yoy in the previous month, slightly above expectations [UniCredit and consensus: 3%]. This comes as core inflation increased by 0.3%mom in June. UniCredit thinks the full effects of tariffs haven't yet been seen in the inflation values and it might take several months for the full impact to become apparent.

#### ■ **US retail sales increased in July**

The US retail sales rose by +0.5%mom in July, in line with expectations [UniCredit and consensus: 0.5%], following a revised rise of +0.9% in June. The largest increases were seen for sales at motor vehicle & parts dealers (+1.6%mom), furniture & home stores (+1.4%mom). Gains were seen also in sales at sporting goods, hobby, musical instrument, & bookstore, nonstore retailers (0.8%), clothing & clothing accessories stores and gasoline stations. On the other hand, sales declined for miscellaneous store retailers (-1.7%yoy) and building material & garden supplies dealers (-1%yoy). Furthermore, sales excluding food services, auto dealers, building materials stores and gasoline stations, which are used to calculate GDP, were up 0.5%, following an upwardly revised 0.8% increase and also above expectations of 0.4%.

#### ■ **The US employment report was well below expectations**

The US employment report for August shows an increase of the non-farm payrolls by 22K new jobs [UniCredit: 100k; Consensus: 75k], well below an upwardly revised 79K in July showing signs of a cooling labor market. The total revisions show that employment in June and July was 21K lower than previously reported. The jobs rose in healthcare (+31K), social assistance (+16K), while federal government jobs decreased (-15K). Job losses also occurred in wholesale trade (-12K) and manufacturing(-12K).

The US unemployment rate edged up to 4.3% in August, after 4.2% in July, above expectations [UniCredit 4.2%; Consensus: 4.3%] and reflecting the highest unemployment rate since October of 2021. The average hourly earnings rose by 0.3%mom in August to USD 36.53, the same increase as in July. Over the past 12months the average hourly earnings rose by 3.7%yoy in August.

The number of job openings declined by 176k to 7.18 million in July, from 7.36 million in June, coming in below expectations [UniCredit: 7.40 and consensus: 7.37] and reaching the lowest level

## ***Data spotlight: 4 August – 5 September***

### **US Economy (continued)**

since September 2024. The largest number of job openings declined in health care and social assistance (-181K), arts, entertainment, and recreation (-62K), and mining and logging (-13K).

This data releases solidify the cooldown sentiment coming from the US labour markets creating conditions for the Fed to cut rates.

### ■ **The economic and market impact of a political Fed**

With his attempt to fire Fed governor Lisa Cook, US President Donald Trump is trying to reshape the Federal Open Market Committee (FOMC) in his favour. Despite the many legal challenges in carrying out this strategy, the probability of a politicised Fed has increased substantially. UniCredit considers three scenarios with varying degrees of political interference in the Fed's monetary policy, including one with a fully politicised central bank. The higher the degree of Fed politicisation, the higher the risk for the US to be treated by investors as an emerging economy – with bond yields going up and the USD going down.

In the baseline case, to which UniCredit assigns a 60% probability, economic arguments continue to prevail over political pressure. The Fed would cut rates only gradually, from 4.5% today to 3.75% by the end of 2026. Inflation would remain above target, growth would pick up modestly, and markets would react relatively calmly. The U.S. dollar would weaken slightly, with the euro rising to around 1.23 by late 2026. Treasury yields would move moderately higher, while U.S. equities could continue to benefit from resilient earnings, pushing the S&P 500 roughly 10% higher.

A second scenario, described as partial politicisation and assigned a 30% probability, assumes that Trump gains greater influence over Fed appointments. This would result in a faster pace of interest-rate cuts, bringing the fed funds rate down to 3% by the end of next year. In such an environment, the dollar would depreciate further, reaching around 1.27 against the euro. Investors would demand higher yields on long-dated Treasuries as confidence in the Fed's credibility waned. Equity markets would initially rally on cheaper money, but over time, volatility would rise and lofty valuations could come under pressure.

The third and most extreme outcome, with a 10% probability, envisions a fully politicised Fed. In this case, Trump-aligned officials dominate monetary policy, leading to aggressive rate cuts of up to 3 percentage points, bringing policy rates down to 1.25–1.50%. This would trigger a surge in inflation expectations, a sharp weakening of the dollar to around 1.35 against the euro, and a spike in long-term U.S. bond yields to roughly 5.25%. While lower rates might temporarily support parts of the equity market, especially technology and financials, investor confidence in U.S. assets would erode, volatility would rise sharply, and markets could start treating the United States more like an emerging economy.

***Data spotlight: 4 August – 5 September*****US Economy (continued)**

UniCredit concludes that the degree of political interference in the Fed will be the decisive factor shaping market outcomes in the coming years. The more the central bank's independence is compromised, the higher the risks of a weaker dollar, rising inflation, steeper yield curves, and increasingly unstable equity markets.

## ***Data spotlight: 4 August – 5 September***

### **International and Romanian Markets**

#### ■ **The EURRON currently faces upward pressure**

The EUR-RON was on a downward trend in August, from 5.07 at the end of July to levels as low as 5.05. Yet, the pair was under upward pressure in September due to the ongoing tensioned discussions within the governing coalition for the 2nd fiscal package and increased opposition from those affected by the measures. The EURRON traded within 5.0705 – 5.0825 during September, ending Friday's trading session close to the upper bound. The pair could continue to be subject to upward pressure and hover around 5.08 as the coalition continues to debate the upcoming fiscal measures. Yet, we expect the 5.00-5.10 range to prevail in 2025 in the absence of major political and fiscal risks.

#### ■ **The ROBOR curve maintained a downward bias in the last month**

The ROBOR rates decreased along at the long end of the curve last month, with the 1M ROBOR falling by 12bp to 6.13% (from 6.25%) and the 3M ROBOR by 6bp to 6.54% (from 6.60%). The ON ROBOR and the 1W ROBOR continued to stay close slightly above the deposit facility, at 5.76% and 5.79%, respectively. The downward movements on the long end show that there is space for interest rates to decrease even in the absence of key rate cuts if fiscal predictability and political stability are maintained.

#### ■ **MinFin auctions**

In August, MinFin held auctions and placed RON 6.6bn, in line with the planned amount. All auctions were held successfully with bids consistently surpassing the targeted volume. For September, MinFin's planned amount is RON 7bn.

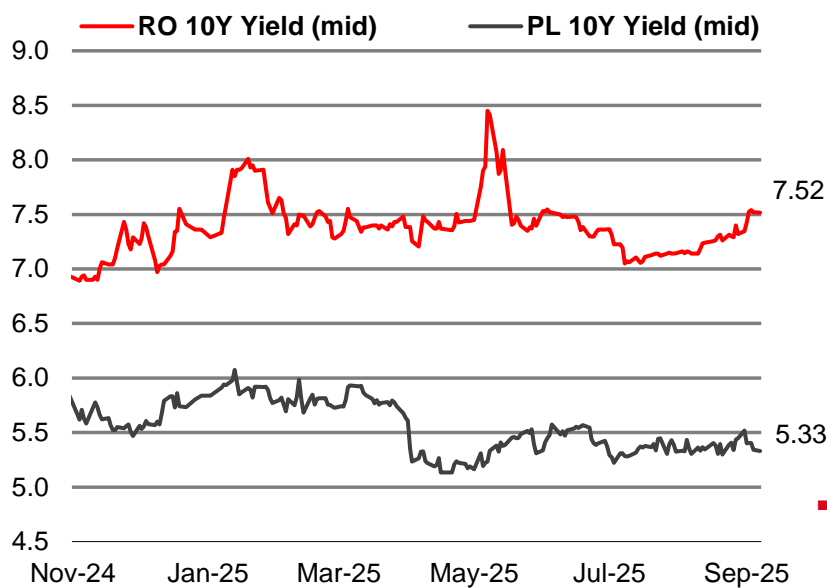
#### ■ **FX markets**

The EUR-USD was volatile in August. The recovery of the USD after the news of the EU-US trade deal, which favored the US, was short lived. The pair fluctuated within the 1.1392-1.1742 range during August and is currently trading close to 1.17, following the release of weak US labour data last Friday. UniCredit remains bearish on the USD, considering President Trump's continuous pressure on Fed to cut rates and worries about the rising US public debt and budget deficit. UniCredit expects the USD to weaken with increasing evidence of Fed politicization and has slightly increased its EUR-USD forecast to 1.20 for end-2025 and 1.23 for end-2026.

Yet, if France's Bayrou loses the no-confidence vote today, might have a greater impact on French assets than on the EUR, now that EUR-USD is once again more sensitive to interest-rate expectations. In June of last year, EUR-USD fell by nearly 2% after French President Emmanuel Macron called a new general election following the defeat of his coalition parties in France's legislative election, but returned to above 1.09 just after the second round of the French election (on 7 July). A 2% fall this time would leave EUR-USD above 1.15, i.e. sufficiently above the low of 1.1392 reached in late July.

## Focus Ahead: 8 – 12 September

### MinFin Issues



Data Source: Thomson Reuters

- According to the fixing levels, the Romanian yields increased on the long end last month, with the 5Y spiking by 19bp and the 10Y by 33bp. The 1Y and 3Y yields were up by only 1bp. The slight rise in yields could be linked to anticipated spike in inflation following the VAT and excise tax increases as of 1 August, but also to the public debates between the coalition members related to the 2<sup>nd</sup> package of fiscal measures.
- This week, MinFin will issue RON 500mn in 4.9Y T-bonds and RON 500mn in 8.1Y T-bons on Monday and RON 300mn in 14.9Y T-bonds and RON 400mn 2.6Y T-bonds on Thursday.

### BOND ISSUES - September

| ISIN Code    | Auction Date | Maturity Date | Months | Planned Amount (mn) | Currency | Total Applications | Total Allocated | Yield (avg) |
|--------------|--------------|---------------|--------|---------------------|----------|--------------------|-----------------|-------------|
| RO52CQA3C829 | 29-Sep-25    | 29-Sep-32     | 85     | 400lei              |          |                    |                 |             |
| ROZBOC49U096 | 25-Sep-25    | 30-Oct-28     | 38     | 400lei              |          |                    |                 |             |
| RODFIUK7ZV55 | 25-Sep-25    | 25-Apr-35     | 117    | 400lei              |          |                    |                 |             |
| RO1JS63DR5A5 | 22-Sep-25    | 28-Apr-31     | 68     | 400lei              |          |                    |                 |             |
| ROKHY3SK7TL5 | 18-Sep-25    | 30-Mar-26     | 6      | 400lei              |          |                    |                 |             |
| ROJVM8ELBDU4 | 15-Sep-25    | 25-Apr-29     | 44     | 400lei              |          |                    |                 |             |
| ROPG9LZUB0O2 | 15-Sep-25    | 27-Jul-33     | 96     | 400lei              |          |                    |                 |             |
| ROCDG04X8WJ7 | 11-Sep-25    | 26-Apr-28     | 32     | 400lei              |          |                    |                 |             |
| RO677ZOKPGQ8 | 11-Sep-25    | 30-Jul-40     | 181    | 300lei              |          |                    |                 |             |
| ROWLVEJ2A207 | 8-Sep-25     | 30-Oct-33     | 99     | 400lei              |          |                    |                 |             |
| ROYNCLHRHV6  | 8-Sep-25     | 29-Jul-30     | 60     | 500lei              |          |                    |                 |             |
| ROTM7EDD92S2 | 4-Sep-25     | 31-Jul-34     | 108    | 400lei              |          | 629                | 400             | 7.59        |
| ROFGC5HOK854 | 4-Sep-25     | 31-Aug-26     | 12     | 500lei              |          | 905                | 618             | 6.96        |
| RO45DLJ4EE76 | 1-Sep-25     | 28-Apr-27     | 20     | 400lei              |          | 937                | 648             | 7.26        |
| ROOFOYB15203 | 1-Sep-25     | 27-Jul-31     | 72     | 500lei              |          | 447                | 397             | 7.48        |

## Focus Ahead: 8 – 12 September

### BOND ISSUES -August

| ISIN Code    | Auction Date | Maturity Date | Months | Planned Amount (mn) | Currency | Total Applications | Total Allocated | Yield (avg) |
|--------------|--------------|---------------|--------|---------------------|----------|--------------------|-----------------|-------------|
| RODFIUK7ZV55 | 28-Aug-25    | 25-Apr-35     | 118    | 500lei              |          | 781                | 500             | 7.38        |
| ROO7A2H5YIN8 | 25-Aug-25    | 25-Feb-32     | 79     | 400lei              |          | 838                | 400             | 7.44        |
| ROCDG04X8WJ7 | 21-Aug-25    | 26-Apr-28     | 33     | 500lei              |          | 1,042              | 500             | 7.39        |
| ROPG9LZUB0O2 | 21-Aug-25    | 27-Jul-33     | 97     | 500lei              |          | 1,057              | 500             | 7.45        |
| RO1JS63DR5A5 | 18-Aug-25    | 28-Apr-31     | 69     | 500lei              |          | 847                | 500             | 7.48        |
| ROJVM8ELBDU4 | 18-Aug-25    | 25-Apr-29     | 45     | 400lei              |          | 772                | 400             | 7.48        |
| ROZ9207VZRH9 | 14-Aug-25    | 29-Jul-26     | 12     | 400lei              |          | 723                | 400             | 6.98        |
| ROYNCLHRHV6  | 11-Aug-25    | 29-Jul-30     | 60     | 500lei              |          | 789                | 500             | 7.34        |
| ROTM7EDD92S2 | 11-Aug-25    | 31-Jul-34     | 109    | 500lei              |          | 463                | 367             | 7.26        |
| ROZBOC49U096 | 7-Aug-25     | 30-Oct-28     | 39     | 500lei              |          | 787                | 500             | 7.33        |
| RO677ZOKPGQ8 | 7-Aug-25     | 30-Jul-40     | 182    | 200lei              |          | 841                | 281             | 7.26        |
| ROA9QNYO3VY6 | 6-Aug-25     | 8-Aug-27      | 24     | 200euro             |          | 237                | 231             | 2.95        |
| RO45DLJ4EE76 | 4-Aug-25     | 28-Apr-27     | 21     | 400lei              |          | 451                | 400             | 7.23        |
| ROOFOYB15203 | 4-Aug-25     | 27-Jul-31     | 73     | 500lei              |          | 1,413              | 748             | 7.31        |

## Data Calendar – September 2025

| Date       | Country | Indicator/Event                   | Period | UniCredit forecast | Consensus | Previous |
|------------|---------|-----------------------------------|--------|--------------------|-----------|----------|
| 08.09.2025 | GE      | Industrial Production (% mom)     | Jul    | 1.0                | 1.5       | -1.9     |
| 09.09.2025 | RO      | Trade Balance (EUR mn)            | Jul    | -2642              |           | -2373    |
| 10.09.2025 | US      | PPI(% mom)                        | Aug    |                    | 0.6       | 0.9      |
| 11.09.2025 | RO      | Inflation Rate                    | Aug    | 10.7               |           |          |
|            | EMU     | ECB interest rate decision (depo) |        | 2.00               | 2.00      | 2.00     |
|            | US      | Inflation rate (% yoy)            | Aug    | 2.9                | 2.9       | 2.7      |
|            | US      | Core CPI (% yoy)                  | Aug    | 3.1                | 3.1       | 3.1      |
| 12.09.2025 | RO      | Current Account YTD (EUR bn)      | Jul    | -15.6              |           | -13.9    |
|            | US      | Michigan Consumer Sentiment Prel  | Sep    |                    | 59.3      | 58.2     |

Data Source: Bloomberg



## Economic Forecasts

### MACROECONOMIC DATA AND FORECASTS

|                                     | 2021   | 2022   | 2023   | 2024   | 2025F  | 2026F  |
|-------------------------------------|--------|--------|--------|--------|--------|--------|
| GDP (EUR bn)                        | 242.3  | 281.7  | 324.4  | 353.8  | 375.5  | 394.1  |
| Population (mn)                     | 19.2   | 19.0   | 19.1   | 19.1   | 19.0   | 19.0   |
| GDP per capita (EUR)                | 12,601 | 14,790 | 17,024 | 18,556 | 19,726 | 20,736 |
| Real economy, change (%)            |        |        |        |        |        |        |
| GDP                                 | 5.5    | 4.0    | 2.4    | 0.8    | 1.0    | 1.8    |
| Private Consumption                 | 7.0    | 5.1    | 3.0    | 6.0    | 1.8    | 2.4    |
| Fixed Investment                    | 4.0    | 5.4    | 14.5   | -3.3   | 2.8    | 2.9    |
| Public Consumption                  | -0.6   | -1.4   | 6.3    | 0.7    | 1.2    | -0.8   |
| Exports                             | 12.6   | 9.3    | -0.8   | -3.1   | 1.0    | 4.4    |
| Imports                             | 14.6   | 9.3    | -1.1   | 3.8    | 3.3    | 4.8    |
| Monthly wage, nominal (EUR)         | 1175   | 1303   | 1489   | 1710   | 1811   | 1882   |
| Real wage, change (%)               | 2.0    | -2.2   | 3.6    | 9.4    | 0.6    | 0.4    |
| Unemployment rate (%)               | 5.6    | 5.6    | 5.6    | 5.5    | 6.1    | 6.8    |
| Fiscal accounts (% of GDP)          |        |        |        |        |        |        |
| Budget balance                      | -7.1   | -6.4   | -6.6   | -9.3   | -8.5   | -6.4   |
| Primary balance                     | -5.6   | -4.3   | -4.7   | -7.2   | -5.3   | -4.0   |
| Public debt                         | 48.3   | 47.9   | 48.9   | 54.8   | 62.1   | 66.2   |
| External accounts                   |        |        |        |        |        |        |
| Current account balance (EUR bn)    | -17.4  | -26.8  | -21.5  | -29.6  | -33.0  | -33.0  |
| Current account balance/GDP (%)     | -7.2   | -9.5   | -6.6   | -8.4   | -8.8   | -8.4   |
| Extended basic balance/GDP (%)      | -1.8   | -4.1   | -1.9   | -5.7   | -5.8   | -5.2   |
| Net FDI (% of GDP)                  | 3.7    | 3.3    | 2.0    | 1.6    | 1.3    | 1.5    |
| Gross foreign debt (% of GDP)       | 58.8   | 54.6   | 56.5   | 57.9   | 57.1   | 59.3   |
| FX reserves (EUR bn)                | 40.5   | 46.6   | 59.8   | 62.1   | 57.5   | 56.1   |
| Months of imports, goods & services | 4.3    | 4.0    | 5.1    | 5.1    | 4.4    | 4.1    |
| Inflation/Monetary/FX               |        |        |        |        |        |        |
| CPI (pavg)                          | 5.0    | 13.7   | 10.5   | 5.6    | 6.3    | 5.4    |
| CPI (eop)                           | 8.2    | 16.4   | 6.6    | 5.1    | 7.6    | 3.5    |
| Central bank target                 | 2.50   | 2.50   | 2.50   | 3.50   | 2.50   | 2.50   |
| Central bank reference rate (eop)   | 1.75   | 6.75   | 7.00   | 6.50   | 6.50   | 5.00   |
| 3M money market rate (Dec avg)      | 2.83   | 7.66   | 6.25   | 5.91   | 6.33   | 4.63   |
| USDRON (eop)                        | 4.37   | 4.63   | 4.50   | 4.78   | 4.37   | 4.29   |
| EURRON (eop)                        | 4.95   | 4.95   | 4.97   | 4.97   | 5.07   | 5.15   |
| USDRON (pavg)                       | 4.16   | 4.68   | 4.57   | 4.60   | 4.49   | 4.34   |
| EURRON (pavg)                       | 4.92   | 4.93   | 4.95   | 4.97   | 5.03   | 5.12   |

## Legal Notices

### Glossary

A comprehensive glossary for many of the terms used in the report is available on our website: <https://www.the-investment-institute.unicredit.eu/en/glossary>

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