

**Macroeconomic and
Strategic Analysis**

UniCredit Weekly Report



Romanian retail sales declined 2.3%yoy in March

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Weekly briefing

Romanian Economy

- **On a monthly basis, retail activity rose by 2.6%** (seasonally adjusted) **in March 2026**, after smaller increase of 0.5% recorded in the previous month. **On an annual basis, retail sales in Romania remained in negative territory at -2.3%yoy** (gross data) **in March 2026**, compared to the 7.1%yoy decrease seen in February and 8.3%yoy at the beginning of the year.
- **Romanian producer prices increased in March 2026 by 1.3%mom** (-1.1%mom in February). **The annual dynamic of producer prices accelerated back to +7%yoy in March** vs. a more tempered 3%yoy increase in the previous month (in January the increase was 7.8%yoy).
- Foreign exchange reserves decreased by around EUR 2.2bn to EUR 64.8bn at end-April 2026, from EUR 67.0bn at end-March 2026. **International reserves (including gold) amounted to EUR 78.0bn at end-April**, down from EUR 80.3bn at end-March.
- **On 5 May there was a successful no-confidence motion against the government led by Prime Minister Ilie Bolojan**, which gathered 281 votes versus the 233 necessary. According to the Romanian Constitution the new Prime Minister must be appointed within 45 days, during which the ousted government will serve as interim government, with limited powers.

European Economy

- **Germany's factory orders rose 5.0%mom in March 2026**, accelerating sharply from 1.4% mom in February and beating expectations.
- **Germany's industrial output contracted by 0.7%mom in March**, after a downwardly revised 0.5% decline in February and undershooting expectations [UniCredit: +0.2; consensus: +0.5].
- **Eurozone producer prices rose by 3.4%mom in March**, reversing February's 0.6% decline. **On an annual basis, producer prices climbed 2.1%**, rebounding from February's -3.0%yoy.

US Economy

- **The US ISM Services PMI edged down to 53.6 in April** from 54.0 in March, broadly in line with expectations and still well above last year's average, pointing to continued expansion in the sector.
- **In April 2026, the US labor market added 115k jobs**, following an upwardly revised 185k increase in March and significantly outperforming market expectations [UniCredit: 60k; consensus: 62k]. **The US unemployment rate held at 4.3% in April 2026**, in line with market expectations [UniCredit and consensus: 4.3].

The **external calendar** for this week includes the **GE and EMU ZEW survey** and **US CPI** (Tuesday), **EMU GDP growth rate** (2nd estimate data) and **industrial production** (Wednesday) and **US retail sales** (Thursday). The **Romanian calendar** includes the **balance of trade** (Monday), the **1Q2026 GDP growth rate** (flash estimate data), **average wage, consumer price index, industrial production** (Wednesday), and **NBR interest rate decision** (Friday).

Data spotlight: 4 – 8 May

CURRENCIES - MAJORS

Currencies	Last	1D ch (%)	1M ch (%)
EURUSD	1.1771	-0.13%	0.93%
EURCHF	0.92	0.13%	-0.59%
USDJPY	157.11	0.25%	-1.06%
GBPUSD	1.3607	-0.20%	1.59%

CURRENCIES - CEE

Currencies	Last	1D ch (%)	1M ch (%)
EURPLN	4.2386	0.04%	-0.39%
EURHUF	355.95	0.57%	-5.40%
EURCZK	24.33	0.04%	-0.24%

CURRENCIES - RON

	EURRON	USD RON
11-May	5.213	4.430
8-May	5.215	4.426
7-May	5.262	4.489

FIXED INCOME MARKET YIELDS - LOCAL

Mid-rate	1Y	3Y	5Y	10Y
11-May	6.2	6.6	6.8	6.9
8-May	6.2	6.6	6.9	6.9
6-May	6.1	6.6	7.0	7.1

MONEY MARKET RATES - LOCAL

ROBOR	ON	1M	3M
11-May	5.70	5.77	5.85
8-May	5.60	5.89	5.87
7-May	5.60	5.79	5.87

MONEY MARKET RATES - MAJORS

Euribor	1M	3M	6M
8-May	1.97	2.23	2.47
7-May	1.97	2.25	2.52
6-May	1.97	2.24	2.56
USDSFOR	1M	3M	6M
8-May	3.64	3.67	3.75
7-May	3.64	3.67	3.75
6-May	3.64	3.67	3.75

STOCK MARKETS

Index	Last	1D ch (%)	1M ch (%)
S&P 500	7,398.9	0.84%	9.08%
FTSE	10,237.1	0.04%	-3.46%
Hang Seng	26,406.8	0.05%	2.54%
Bucharest BET	30,142.1	1.42%	6.84%

Romanian Economy

■ Romanian retail sales declined 2.3%yoy in March

Retail activity rose by 2.6%mom (seasonally adjusted) in March 2026, after a smaller increase of 0.5% recorded in the previous month. The sales increased for automotive fuel in specialized stores (+6.1mom) and sale of non-food products (+2.7%mom) while the sale of food, beverages and tobacco decreased by 1.6%mom.

On an annual basis, retail sales in Romania remained in negative territory, at -2.3%yoy (gross data) in March 2026, compared to the 7.1%yoy decrease seen in February and 8.3%yoy at the beginning of the year. Annually, the biggest decreases were registered by non-food products (-6.3%yoy) and by the sale of food products (-3.4%yoy) while retail of automotive fuel in specialized stores increased by 11.2%yoy.

Although retail sales were lower than in 1Q26 than in 1Q25, the decrease is slowing down, consistent with some recovery in consumption, despite high inflation and negative real wages. If this improvement will continue in the following months despite the clear headwinds, we believe that GDP growth could remain in positive territory this year, especially if the investments planned in the 2026 budget, mostly financed through EU funds, will materialize.

■ Romanian producer prices increased in March

Romanian producer prices increased in March 2026 by 1.3%mom (from -1.1%mom in the previous month), driven by the prices on the internal market (+1.8%mom) while on the

Data spotlight: 4 – 8 May**Romania Economy (continued)**

external market prices remained almost unchanged. Among the main categories, the biggest increase was recorded by mining and quarrying (+6.7%mom), manufacturing activities (+1.7%mom), water supply, sewage, and waste management (+0.7%mom), while electricity, gas, steam and air conditioning supply decreased slightly (-0.2%mom).

Regarding manufacturing, the biggest increases in prices were recorded by the manufacture of coke and refined petroleum products (+27.4%mom), chemical products (+3%mom) and basic metals(+1.6%mom). The biggest price decreases were recorded by the manufacture of rubber and plastic products (-1.3%mom). Other big increases were recorded in the extraction of crude petroleum and natural gas (+11.8%mom).

The annual dynamic of producer prices accelerated back to +7%yoy in March vs. a more tempered 3%yoy increase in the previous month (in January the growth pace was 7.8%yoy). Producer prices are likely to stay under upward pressure to the higher energy prices at the global level.

■ Romanian foreign exchange reserves decreased in April 2026

Foreign exchange reserves decreased by around EUR 2.2bn to EUR 64.8bn at end-April 2026, from EUR 67.0bn at end-March 2026.

During the month, inflows amounted to EUR 1.8bn, mainly reflecting changes in credit institutions' foreign currency-denominated required reserves with the NBR, inflows into the Ministry of Finance's accounts and other operations. Outflows totaled roughly EUR 4.0bn, driven by changes in credit institutions' foreign currency-denominated required reserves with the NBR, interest payments and principal repayments on foreign currency public debt, payments from the European Commission's account and other.

The stock of gold remained steady at 103.6 tons; however, following movements in the international gold price, its value stood at EUR 13.2bn.

International reserves (including gold) amounted to EUR 78.0bn at end-April, down from EUR 80.3bn at end-March. Payments due in May on foreign currency-denominated public and publicly guaranteed debt are estimated at approximately EUR 1.4bn.

Data spotlight: 4 – 8 May**European Economy****■ German factory new orders surged in March**

Germany's factory orders rose 5.0%mom in March 2026, accelerating sharply from 1.4% mom in February and beating expectations. Gains were broad-based, led by electrical equipment (+21.5%mom), electronic and optical products (+14.4%mom), and mechanical engineering (+6.9%mom).

By category, intermediate goods (+9.2%mom), consumer goods (+7.3%mom), and capital goods (+2.1%mom) all strengthened. Foreign orders jumped by 5.6% mom, driven by the euro area (+10.1%mom), while domestic demand rose 4.0%mom. Excluding large contracts, orders increased 5.1% mom, the highest level since February 2023.

■ Germany's industrial production fell further in March

Germany's industrial output contracted by 0.7%mom in March 2026, following a downwardly revised 0.5% decline in February and undershooting expectations [UniCredit: +0.2; consensus: +0.5]. The drop was primarily driven by a sharp fall in energy production (-4.0%mom) and a marked decline in mechanical engineering output (-2.7%mom). These weaknesses were partly offset by improved activity in construction (1.9%mom) and the automotive sector (1.9%mom).

Excluding energy and construction, industrial production declined 0.9%mom, reflecting notably weaker capital goods (-1.6%mom) and consumer goods (-1.9%mom) output, despite a solid rise in intermediate goods production (0.8%mom). On a three-month basis, industrial activity contracted 1.2% in the January-March period compared with the previous three months, while annual output dropped 2.8%yoy, sharply worsening from a 0.2% decline in February and marking the steepest contraction since August 2025.

■ Eurozone producer prices jumped in March

Eurozone producer prices rose by 3.4%mom in March 2026, reversing February's 0.6% decline. This was the steepest monthly rise since August 2022, driven mainly by energy prices, which surged 11.1%mom, the sharpest increase since January 2022 amid the Iran war. Price pressures also strengthened across other categories, with intermediate goods rising 0.7% mom (from 0.3% in February) and non-durable consumer goods increasing 0.3% after -0.2% previously. Capital goods and durable consumer goods both advanced 0.2% mom, unchanged from February.

On an annual basis, producer prices climbed 2.1%yoy, rebounding from February's 3.0%yoy decline.

Data spotlight: 4 – 8 May**US Economy****■ US ISM Services PMI eases slightly in April**

The US ISM Services PMI edged down to 53.6 in April from 54.0 in March, broadly in line with expectations and still well above last year's average, pointing to continued expansion in the sector.

Underlying dynamics were mixed. Business activity strengthened (up 2.0 points to 55.9), supported by a decline in order backlogs (53.0), even as new orders fell sharply to 53.5, signaling softer demand momentum. Employment improved to 48.0 but remained in contraction for a second month.

Price pressures stayed elevated, with the Prices Index at 70.7, the highest since 2022, driven by higher energy, metals, freight costs linked to the Middle East conflict, alongside rising aluminum and lumber prices following new US tariffs.

■ The US employment report came in well above expectations

In April 2026, the US labor market added 115k jobs, following an upwardly revised 185k increase in March and significantly outperforming market expectations [UniCredit: 60k; consensus: 62k]. While hiring has clearly moderated compared to earlier cycles, the April print marks the first back-to-back monthly increase in employment in nearly a year, pointing to a gradually cooling but still resilient labor market. Job gains were concentrated in healthcare, transportation & warehousing and retail trade, while federal government employment continued to decline. Revisions to prior months were mixed. February payroll growth was revised down by 23k to -156k, while March was revised up by 7k to 185k. Overall, employment in February and March combined is now 16k lower than previously reported.

The US unemployment rate held at 4.3% in April 2026, in line with market expectations [UniCredit and consensus: 4.3].

Average hourly earnings rose modestly in April 2026. Pay for all private nonfarm employees increased by 0.2%mom (6 cents) to \$37.41. On a yearly basis, wage growth edged up to 3.6%yoy.

Data spotlight: 4 – 8 May

International and Romanian Markets

■ **The EUR-RON was under upward pressure, touching levels close to 5.30**

The EUR-RON traded with an upward bias last week and touched a peak at 5.2999 on Wednesday (5.1821 minimum level), before returning close to 5.2150 at the end of Friday's trading session, still above last Thursday's closing price of 5.1950. The depreciation pressure on the RON was visible in the last week of April due to political uncertainty and was amplified by a successful no-confidence motion on 5 May against the government led by the Prime Minister Ilie Bolojan, which gathered 281 votes versus the 233 necessary. The consultations for a new governing coalition have started, with no clear solution for now. According to the Romanian Constitution the new Prime Minister must be appointed within 45 days, during which the ousted government will serve as interim government, with limited powers. Exchange rate volatility could persist in the coming period, until the political and fiscal outlook is clarified. We believe that a return of the exchange rate below 5.20 is possible, but a return below 5.10 is difficult to anticipate.

■ **The ROBOR curve was mostly unchanged last week**

The ROBOR rates were steady along the curve last week. Compared to the previous week (30 April), the ON ROBOR was down by 1bp to 5.71%, while the rest of the maturities remained unchanged: the 1W at 5.73%, the 1M at 5.79% and the 3M at 5.86%. The ROBOR rates remained mostly unaffected by the current political uncertainty, aided by ample excess liquidity in the market (RON 36bn in April).

■ **MinFin auctions**

Last Monday, the Ministry of Finance held an auction for a 5.3Y T-bond. The bids exceeded the planned amount, at RON 1473.7mn vs. RON 500mn, with MinFin placing RON 628.7mn. The average accepted yield was 7.05% (max 7.05%), up by 4bp from the previous reopening in April.

On Thursday, the Ministry of Finance held an auction for a 12M T-bill. The bids exceeded the planned amount, at RON 1499.7mn vs. RON 500mn, with MinFin placing RON 1192.6mn. The average accepted yield was 6.11% (max 6.12%), down by 20bp from a similar auction in April.

■ **FX markets**

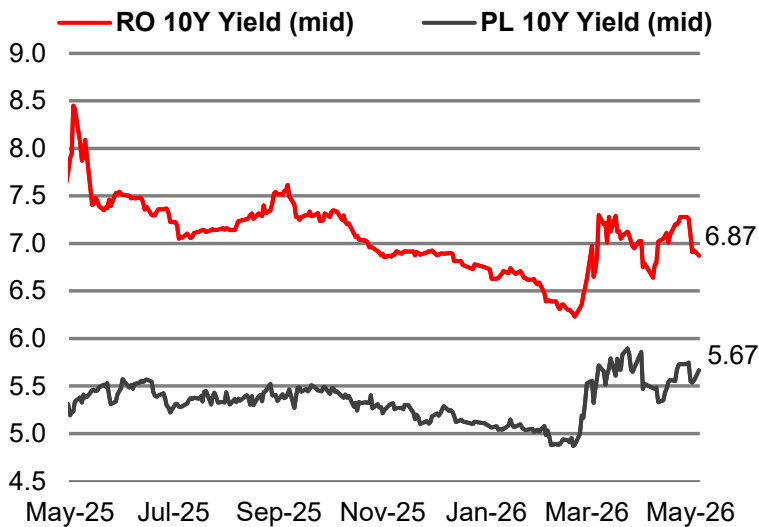
The EUR-USD traded between 1.1677 - 1.1795 last week, with a slight upward bias, ending the week at 1.1786. Tehran replied to a US proposal to end the war ahead of a week that looks crucial for the Middle East crisis and will culminate with US President Donald Trump's visit to Beijing on Thursday and Friday, when talks between Israel and the Lebanese government also take place in Washington. However, Trump arrives in China on Wednesday without an agreement. Tehran remains focused on ending the war on all fronts, including Lebanon, and on safe shipping through the Strait of Hormuz. US President Donald Trump has already made it clear in a Truth Social post that Iran's latest proposal is totally unacceptable, although the two sides continue to maintain a fragile ceasefire, which is preventing a more intense market reaction in terms of risk aversion and in favour of the USD this

Data spotlight: 4 – 8 May**International and Romanian Markets (continued)**

morning. Israeli President Benjamin Netanyahu has also already warned that the war against Iran is not over because there is nuclear material in the country that still needs to be removed. Investors are still confident about a positive solution, but they will likely refrain from lifting EUR-USD towards 1.18 until more progress emerges. In the meantime, range trading around 1.1750 is likely to continue. (R. Mialich)

Focus Ahead: 11 – 15 May

MinFin Issues



Data Source: Refinitiv Workspace

- According to the fixing levels, the Romanian yields decreased along the curve last week. Overall, compared to the previous Friday (30 April), the 1Y declined by 10bp, the 3Y dropped by 20bp, the 5Y by 25bp and the 10Y by 36bp. Yields have recovered to levels from 2 weeks ago, before the no confidence motion was announced. Even though the motion was voted and the government was ousted, investors appear to be taking a patient stance and looking past current adverse local developments, likely encouraged by improving prospects for a resolution to the Middle East conflict and the possible decline in oil prices. Upside risks for Romanian yields persist due to further internal uncertainties, especially if negotiations for a new governing coalition stall and the fiscal adjustment process and EU funds' absorption will start to fall below expectations.
- MinFin will auction RON 400mn in a 7.3Y T-bond on Monday, EUR 200mn in a 2Y euro denominated bond on Wednesday and on Thursday RON 400mn in a 4.2Y T-bond, along with RON 500mn in a 6M T-bill.

BOND ISSUES - May									
ISIN Code	Auction Date	Maturity Date	Months	Planned Amount (mn)	Currency	Total Applications	Total Allocated	Yield (avg)	
RON4D08H94V4	28-May-26	29-Oct-29	42	400lei					
RO0DU3PR9NF9	28-May-26	24-Feb-38	143	300lei					
ROWLVEJ2A207	25-May-26	30-Oct-33	91	400lei					
ROCDG04X8WJ7	21-May-26	26-Apr-28	24	400lei					
RODFIUK7ZV55	21-May-26	25-Apr-35	109	400lei					
ROTM7EDD92S2	18-May-26	31-Jul-34	100	400lei					
ROQNDCF89GE6	14-May-26	23-Nov-26	6	500lei					
ROYNCLHRHV6	14-May-26	29-Jul-30	51	400lei					
ROJ5G0VNI67	13-May-26	15-May-28	24	200euro					
ROPG9LZUB002	11-May-26	27-Jul-33	88	400lei					
ROG0T8PGU181	7-May-26	10-May-27	12	500lei		1,500	1,193	6.11	
ROOFOYB15203	4-May-26	27-Jul-31	64	500lei		1,474	629	7.05	

Focus Ahead: 11 – 15 May
Data Calendar – May 2026

	Country	Indicator/Event	Period	UniCredit forecast	Consensus	Previous
11.05.2026	RO	Balance of trade (EUR, mn)	Mar	-3826	-	-2411
12.05.2026	GE	ZEW survey – current situation (index)	May	-75.0	-78.0	-73.7
	GE	ZEW survey – expectations (index)	May	-20.0	-20.0	-17.2
	EMU	ZEW economic sentiment (index)	May	-	-	-20.4
	US	Consumer price index, CPI (% yoy)	Apr	3.6	3.7	3.3
	US	Core CPI (% yoy)	Apr	2.7	2.7	2.6
13.05.2026	RO	GDP growth rate (flash estimated data) (%yoy)	1Q 26	0.3	-	0.2
	RO	Consumer price index, CPI (% yoy)	Apr	10.4	-	9.9
	RO	Industrial production (% mom)	Mar	-0.2	-	-0.3
	RO	Average wage (% yoy)	Mar	3.1	-	3.8
	EMU	GDP growth rate qoq (2nd estimated data)	1Q	0.1	0.1	0.1
	EMU	Industrial production (% mom)	Mar	0.7	0.3	0.4
14.05.2026	US	Retail sales (% mom)	Apr	0.6	0.5	1.7
15.05.2026	RO	NBR interest rate decision	May	6.5	6.5	6.5

Data Source: Bloomberg

Economic Forecasts

MACROECONOMIC DATA AND FORECASTS						
	2022	2023	2024	2025	2026F	2027F
GDP (EUR bn)	280.7	321.6	353.6	378.9	409.2	426.5
Population (mn)	19.0	19.1	19.1	19.0	19.0	19.0
GDP per capita (EUR)	14,739	16,877	18,546	19,898	21,523	22,465
Real economy, change (%)						
GDP	4.2	2.3	0.9	0.7	1.0	2.3
Private Consumption	5.4	2.5	5.7	0.6	-1.0	1.3
Fixed Investment	5.4	12.3	-2.5	4.1	4.7	2.9
Public Consumption	-1.4	4.0	1.2	-1.9	-1.5	1.0
Exports	9.3	-1.3	-2.5	3.9	4.6	5.7
Imports	9.3	-1.5	4.0	4.8	2.4	5.2
Monthly wage, nominal (EUR)	1303	1489	1710	1832	1867	1930
Real wage, change (%)	-2.2	3.6	9.4	1.2	-5.4	1.4
Unemployment rate (%)	5.6	5.6	5.5	6.1	6.8	6.6
Fiscal accounts (% of GDP)						
Budget balance	-6.4	-6.6	-9.3	-7.6	-6.2	-5.1
Primary balance	-4.3	-4.7	-7.2	-5.0	-3.3	-2.1
Public debt	48.1	49.3	54.8	59.6	64.6	67.6
External accounts						
Current account balance (EUR bn)	-26.8	-21.5	-28.9	-30.1	-26.1	-25.7
Current account balance/GDP (%)	-9.6	-6.7	-8.2	-8.0	-6.4	-6.0
Extended basic balance/GDP (%)	-4.1	-2.0	-5.5	-4.1	-2.3	-1.4
Net FDI (% of GDP)	3.3	2.0	1.3	2.0	2.2	2.7
Gross foreign debt (% of GDP)	54.8	56.9	57.5	60.0	62.1	63.6
FX reserves (EUR bn)	46.6	59.8	62.1	64.8	71.3	74.1
Months of imports, goods & services	4.0	5.1	5.1	5.0	5.3	5.2
Inflation/Monetary/FX						
CPI (pavg)	13.7	10.5	5.6	7.3	9.1	4.2
CPI (eop)	16.4	6.6	5.1	9.7	6.7	3.3
Central bank target	2.50	2.50	2.50	2.50	2.50	2.50
Central bank reference rate (eop)	6.75	7.00	6.50	6.50	6.50	6.00
3M money market rate (Dec avg)	7.66	6.25	5.91	6.19	6.70	6.10
USD RON (eop)	4.63	4.50	4.78	4.34	4.34	4.34
EUR RON (eop)	4.95	4.97	4.97	5.10	5.17	5.25
USD RON (pavg)	4.68	4.57	4.60	4.47	4.36	4.36
EUR RON (pavg)	4.93	4.95	4.97	5.04	5.11	5.22

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