Macroeconomic and Strategic Analysis

UniCredit Weekly Report

The annual headline inflation increased to 9.9% in March

20 April 2026

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Weekly briefing

Romanian Economy

- **The headline inflation increased to 9.9%yoy in March** (from 9.3% recorded in the previous month), significantly below our and consensus expectations [UniCredit: 10.9%; consensus: 10.35%]. The monthly increase for the consumer basket was 0.8%, with prices rising as follows: +1%mom for non-food products, +0.6%mom for services and +0.58%mom for food products. **Inflationary risks are likely to remain elevated this year**, with a hump in 2Q26 followed by a sharp drop in July and August as the supply side shocks of last year phase out.
- **The Romanian current account deficit reached EUR 3.19bn in the first two months of 2026 (0.78% of GDP),** improving from EUR 3.64bn in the same period of the previous year.
- **The average net salary increased by 0.7%mom in February, to RON 5,557**. The annual growth pace picked up to 3.8%yoy in February 2026 from 3.6% in January. **In real terms, the average wage dropped by 5% in February 2026** versus February 2025.

United States Economy

- **US producer prices (PPI) increased by 0.5%mom in March 2026**, the same growth pace as in February and well below market expectations of a 1.1% gain. **On an annual basis, headline PPI accelerated to 4.0%yoy**, the highest reading since February 2023, though still below expectations of 4.6%.
- **Industrial production in the United States fell by 0.5%mom in March 2026**. The decline marks the largest monthly contraction since September 2024.

The external calendar for this week is heavy for sentiment indicators and includes the **GE and EMU ZEW Economic sentiment index** and **US retail sales**(Tuesday), **GE and EMU Composite PMI** (Thursday), and **GE Ifo Business Climate** (Friday). The **Romanian calendar** includes the **construction works for February** (Tuesday).

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Data spotlight: 13 – 17 April

CURRENCIES - MAJORS			
Currencies	Last	1D ch (%)	1M ch (%)
EURUSD	1.1763	0.01%	2.71%
EURCHF	0.92	-0.20%	1.84%
USDJPY	158.89	0.22%	-0.63%
GBPUSD	1.3515	-0.02%	1.95%

CURRENCIES - CEE			
Currencies	Last	1D ch (%)	1M ch (%)
EURPLN	4.2310	0.07%	-1.10%
EURHUF	362.35	0.44%	-8.09%
EURCZK	24.29	0.04%	-0.82%

CURRENCIES - RON		
	EURRON	USDRON
20-Apr	5.099	4.335
17-Apr	5.095	4.334
16-Apr	5.099	4.325

FIXED INCOME MARKET YIELDS - LOCAL				
Mid-rate	1Y	3Y	5Y	10Y
20-Apr	6.1	6.7	6.9	7.1
17-Apr	6.2	6.7	6.8	7.0
15-Apr	6.2	6.5	6.7	6.8

MONEY MARKET RATES - LOCAL			
ROBOR	ON	1M	3M
20-Apr	6.00	5.89	5.88
17-Apr	5.75	5.80	5.88
16-Apr	5.60	5.79	5.89

MONEY MARKET RATES - MAJORS			
Euribor	1M	3M	6M
17-Apr	2.00	2.20	2.42
16-Apr	2.00	2.24	2.45
15-Apr	2.00	2.24	2.47
USDSFOR	1M	3M	6M
17-Apr	3.64	3.67	3.81
16-Apr	3.64	3.67	3.81
15-Apr	3.64	3.67	3.82

STOCK MARKETS			
Index	Last	1D ch (%)	1M ch (%)
S&P 500	7,126.1	1.20%	6.10%
FTSE	10,598.7	-0.65%	2.85%
Hang Seng	26,361.1	0.77%	1.90%
Bucharest BET	28,725.3	-1.77%	1.78%

Romanian Economy

- **The annual headline inflation increased to 9.9% in March**

The headline inflation accelerated to 9.9%yoy in March (from 9.3% recorded in the previous month), significantly below our and consensus expectations [UniCredit: 10.9%; consensus: 10.35%]. The discrepancy between our forecast and the actual data is explained by energy prices, as follows: 1) According to INS fuel prices rose only 6.5%mom, significantly below the 20% increase of the price at pumps due to the surge in Brent oil prices and the 16%mom we were expecting to see reflected in the consumer basket in March; 2) gas prices plunged by 4.9%mom and electricity prices decreased by 1%mom. Core inflation tempered slightly to 8.2%yoy, from 8.3%yoy in February.

The monthly increase for the consumer basket was 0.8%, with prices rising as follows: +1%mom for non-food products, +0.6%mom for services and +0.58%mom for food products.

In the food category, the highest price increases came from volatile goods, namely fresh and tinned vegetables (+2.3%mom), cocoa and coffee (+1%mom), alcoholic beverages (+0.6%mom) and bread and flour products (+0.6%mom).

In the non-food category, there were mild price increases for most categories, with the standouts being fuels (petrol +11.1%mom and diesel +15%mom). Strong decreases were seen for electric energy, gas and central heating fuels (-2.2%mom) mainly due to the sharp drop in gas prices.

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Data spotlight: 13 – 17 April

Romania Economy (continued)

The highest price increases for services were recorded in interurban transport (+1.5%mom) and game of chance (+1.5%mom), medical care (+1.4%mom), and other industrial-type services (+1.2%mom).

Inflationary risks will remain elevated this year with annual inflation set to exprerience a hump in 2Q26, most probably at levels above 10%, followed by sharp drops in July and August as the supply side shocks of last year phase out. The geopolitical tensions imply upside risks for inflation as fuel prices remain a key driver of prices, with a reopening of the Strait of Hormuz driving prices down and an escalation of the conflict maintaining upward pressure. Although our baseline scenario anticipates a prolonged conflict, but with substantial de-escalation after June, the situation remains volatile and geopolitical risks remain elevated. The measures approved by the government to contain the jump in oil prices can ease the pressure but they cannot not fully compensate for the upward movement in the Brent oil price. On the positive side, the gas price caps for households will be in place until 31 March 2027 and the profit margin cap on essential food items was also extended until June 2026.. According to our calculations, annual inflation will miss the target this year and a return within the 1.5%-3.5% target range will be possible in 3Q27.

- **The current account deficit down by 12.3%yoy in 2M2026**

The Romanian current account deficit reached EUR 3.19bn in the first two months of 2026 (0.78% of GDP), improving from EUR 3.64bn in the same period of the previous year. The headline evolution reflects mixed developments across components. The deficit on trade in goods narrowed by EUR 932m to EUR 4.6bn, while the services surplus declined by EUR 225m, reaching EUR 2.175bn. This was mainly due to the wider negative balance of tourism, which reached EUR -714m, up from EUR -565m in January-February 2025. Positive contributions came from transport services, where the surplus increased to EUR 1bn, and from IT&C services, whose surplus rose to EUR 1.25bn. The surplus generated by manufacturing services on physical inputs owned by others stood at EUR 416m, broadly stable year on year.

The primary income balance deteriorated from EUR -394m to EUR -645m, reflecting higher net income outflows, while the secondary income balance posted a deficit of EUR -86m, compared with EUR -77m in the same period of the previous year. Foreign direct investment inflows amounted to EUR 1,128m in January-February 2026, up from EUR 854m in the corresponding period of 2025. The current account deficit is likely to decrease to levels around 7% of GDP in 2026 due to reduced demand for imports following the fiscal adjustment.

- **The Romanian industrial production decreased by 1.8%yoy in February**

Industrial production decreased by 0.4%mom (seasonally adjusted data) in February 2026, after a revised 3%mom decrease in the previous month. The decrease was due to the drops reported for mining and quarrying (-2.0%mom), electricity, gas, steam and air conditioning supply (-1.7%mom), while manufacturing increased (+0.7%mom). Compared to the corresponding month of 2025, the Romanian industrial production decreased by 1.8%yoy (gross data) due to drops recorded for mining

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Data spotlight: 13 – 17 April

Romania Economy (continued)

and quarrying (-3.5%) and manufacturing (-2.8%). The electricity, gas, steam and air conditioning supply rose by 4.5%yoy. A industrial production recovery in 2026, driven by external demand, stabilizing production conditions, and a gradual easing of prior contractionary pressures is still possible, but the longer the Middle East conflict goes on the less likely the rebound is.

- **The average net salary increased by 0.7mom in February**

The average net salary increased by 0.7%mom in February, to RON 5,557. The annual growth pace picked up to 3.8%yoy in February 2026 from 3.6% in January. The most significant increases in the average net earnings in February (as compared to January) were recorded as follows: 24.7% increase in manufacture of tobacco products, 23.4% in insurance, reinsurance and pension funding; between 7.0% and 13.0% in activities auxiliary to financial services and insurance activities, manufacture of computer, electronic and optical products, manufacture of motor vehicles, trailers and semi-trailers, activities of head offices and management consultancy, manufacture of other non-metallic mineral products, legal and accounting activities, extraction of crude petroleum and natural gas, publishing activities, remediation activities and other waste management service activities; between 3.0% and 6.5% in telecommunication, civil engineering, activities of advertising, market research and public relations, other mining and quarrying, motion picture, video and television programme production, sound recording and music publishing activities, architectural and engineering activities; technical testing and analysis, travel agency, tour operator and other reservation service and related activities, manufacture of beverages. In real terms, the average wage dropped by 5% in February 2026 versus February 2025.

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Data spotlight: 13 – 17 April

United States Economy

- **US producer prices increased in March**

US producer prices (PPI) increased by 0.5%mom in March 2026, at the same growth pace as in February and well below market expectations of a 1.1% gain. Goods prices climbed 1.6%, the strongest increase since August 2023, driven primarily by an 8.5% surge in energy costs amid the ongoing Iran conflict, while final demand food prices declined 0.3%. Service prices were flat after rising 0.3%mom in February, as a 1.3% increase in transportation and warehousing services and a modest 0.1% rise in other final demand services were offset by a 0.3% fall in trade service margins.

On an annual basis, headline PPI accelerated to 4.0%yoy, the highest reading since February 2023, though still below expectations of 4.6%. Core PPI excluding food, energy, and trade services rose 0.2%mom, slowing from 0.5% gains in both January and February, and increased 3.6%yoy, pointing to some easing in underlying producer price pressures despite elevated energy-driven volatility.

- **US industrial production declined in March**

Industrial production in the United States fell by 0.5%mom in March 2026, missing market expectations for a 0.1% increase and following a 0.7%mom gain in February. The decline marks the largest monthly contraction since September 2024. On an annual basis, industrial production increased 0.7%yoy.

Manufacturing output (which accounts for roughly 78% of total industrial production) edged down by 0.1%mom, after an upwardly revised 0.4% increase in February and also undershooting expectations for a 0.1% rise. Mining production contracted sharply, falling 1.2%mom. Utility output declined by 2.3%mom, reflecting reductions in both electric and natural gas utilities. Capacity utilization fell to 75.7%, standing 3.7 percentage points below its long-run (1972–2025) average.

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Data spotlight: 13 – 17 April

International and Romanian Markets

■ The EUR-RON was under upward pressure last week due to political tensions

The EUR-RON traded within the 5.0860-5.0997 range last week and ended Friday's trading session at 5.0947, higher than the 5.0901 level at the closing on 10 April. Upward pressure is likely to prevail this week, testing the 5.10 resistance level, due to the recent tensions in the governing coalition which might result in PSD withdrawing its support for the Prime Minister Ilie Bolojan according to the latest public statements.

■ The ROBOR curve was stable last week

The ROBOR rates were stable last week, with marginal movements. Compared to the previous week (9 April), the ON ROBOR was down by 1bp to 5.70%, the 1W was unchanged at 5.73%, the 1M down by 1bp to 5.78% and the 3M down by 1bp to 5.87%. After the initial shock of the announcement of the war in Middle East, ROBOR rates remained stable, aided by ample excess liquidity in the market (RON 35bn in March).

■ MinFin auctions

On Tuesday, the Ministry of Finance held an auction for a 7.25Y T-bond. The bids exceeded the planned amount, at RON 507.2mn vs. RON 300mn, with MinFin placing RON 300mn. The average accepted yield was 6.81% (max 6.84%), 46bp higher than in February.

■ FX markets

The EUR-USD traded between 1.1636 - 1.1850 last week, with a clear upward bias, ending the week at the 1.1761 level. According to the Investment Institute by UniCredit, the latest developments in the Middle East crisis are expected to trigger more risk aversion across markets. With negotiations in Islamabad today uncertain, the truce in Lebanon fragile and the US ceasefire set to end tomorrow, US President Donald Trump has threatened to destroy Iranian power plants and bridges if no deal is reached. Yet, the USD has barely changed, with the DXY just above 98 and EUR-USD just roughly ten pips below last Friday's close of 1.1762. Three main reasons can explain this muted reaction: 1. some position unwinding had already taken place on Friday, with EUR-USD peaking at 1.1848; 2. markets remain convinced that a meltdown will ultimately be avoided and a deal will eventually be reached, with investors preferring to adopt a wait-and-see stance for now rather than going massively long the USD and 3. Asian equities managed to end in positive territory, despite early gains were progressively reduced, as the Nikkei rallied on high-tech stocks. EUR-USD could find a floor above 1.17, but this would be heavily dependent on developments surrounding US-Iran talks and the reaction of equity markets in Europe and the US, with futures already in negative territory and Brent remaining high at around USD 95/bbl. (R. Mialich)

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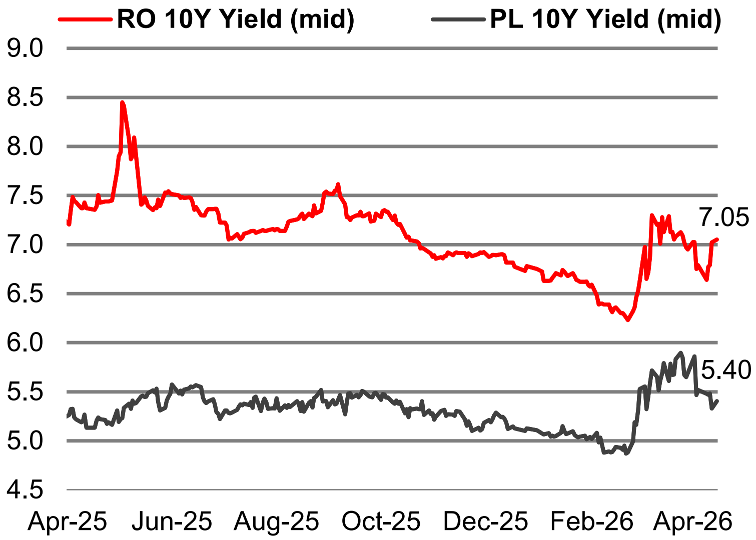
Focus Ahead: 20 – 24 April

MinFin Issues



Data Source: Refinitiv Workspace

- According to the fixing levels, the Romanian yields mostly increased last week, rebounding from the downward trend seen in the previous week. The rise contrasts the external trend and was due to political tensions as the Social Democratic Party is expected to decide on 20 April if it will maintain its support for PM Ilie Bolojan. Overall, compared to the previous Thursday (9 April), the 1Y declined 2bp, while the 3Y was up by 5bp, the 5Y by 6bp and the 10Y by 22bp. Romanian yields regained the position of most expensive financing cost in the CEE region following the election win by the opposition in Hungary, prompting investors to lower the risk premium on Hungarian yields. Upside risks for Romanian yields persists due to both internal and external uncertainties.
- MinFin will auction RON 300mn in a 8.4Y T-bond and RON 400mn in a 12M T-bill on Monday and RON 400mn in 4.3Y T-bond and RON 400mn in 2.8Y T-bond on Thursday.

BOND ISSUES - April

ISIN Code	Auction Date	Maturity Date	Months	Planned Amount (mn)	Currency	Total Applications	Total Allocated	Yield (avg)
RON4D08H94V4	27-Apr-26	29-Oct-29	43	400	lei			
RO0DU3PR9NF9	27-Apr-26	24-Feb-38	144	300	lei			
ROVRZSEM43E4	23-Apr-26	12-Feb-29	34	400	lei			
ROYNCLHRHVV6	23-Apr-26	29-Jul-30	52	400	lei			
RO45DLJ4EE76	20-Apr-26	28-Apr-27	12	400	lei			
ROTM7EDD92S2	20-Apr-26	31-Jul-34	101	300	lei			
ROPG9LZUB0O2	16-Apr-26	27-Jul-33	89	300	lei	507	300	6.81
RODFIUK7ZV55	6-Apr-26	25-Apr-35	110	300	lei	467	376	6.94
ROOSUF7LMDT5	6-Apr-26	30-Sep-26	6	400	lei	902	498	6.13
ROOFOYB15203	2-Apr-26	27-Jul-31	65	300	lei	917	325	7.01
ROS5LXEE9K46	2-Apr-26	31-Mar-27	12	400	lei	1,052	396	6.31

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Focus Ahead: 20 – 24 April

Data Calendar – April 2026

	Country	Indicator/Event	Period	UniCredit forecast	Consensus	Previous
20.04.2026	RO	Construction works (%, yoy)	Feb	-0.80		-2.30
21.04.2026	GE	ZEW survey – current situation (index)	Apr	-65.0		-62.9
	GE	ZEW survey – expectations (index)	Apr	-20.0		-0.5
	EMU	ZEW economic sentiment (index)	Apr			-8.5
	US	Retail sales (% mom)	Mar	1.0		0.5
23.04.2026	GE	Manufacturing PMI (index)	Apr	52.0		52.2
	GE	Services PMI (index)	Apr	50.0		50.9
	GE	Composite PMI (index)	Apr	51.2		51.9
	EMU	Manufacturing PMI (index)	Apr	51.0		51.6
	EMU	Services PMI (index)	Apr	49.5		50.2
	EMU	Composite PMI (index)	Apr	50.0		50.7
24.04.2026	GE	Ifo Business Climate (index)	Apr	85.2		86.4
	GE	Ifo expectations (Index)	Apr	84.0		86.0
	GE	Ifo current assessment (Index)	Apr	86.2		86.7

Data Source: Bloomberg

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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
USDRON (eop)	4.63	4.50	4.78	4.34	4.34	4.34
EURRON (eop)	4.95	4.97	4.97	5.10	5.17	5.25
USDRON (pavg)	4.68	4.57	4.60	4.47	4.36	4.36
EURRON (pavg)	4.93	4.95	4.97	5.04	5.11	5.22

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