Macroeconomic and Strategic Analysis

UniCredit Weekly Report

NBR's February Inflation Report confirms expectations of an overall downward trend in inflation

23 February, 2026

Anca Maria NEGRESCU
Senior Economist
anca.negrescu@unicredit.ro
+40 723 103 008

Alexander RAGEA
Junior Macroeconomic Economist
Alexander-Constantin.Ragea2@unicredit.ro

Nicoleta Iulia LUNGU
Market Analyst
Nicoletalulia.Lungu@unicredit.ro

UniCredit Bank

Weekly briefing

Romanian Economy

- **The NBR Board decided to keep the key policy rate at 6.50%**, maintain the lending and deposit facility rates at 7.50% and 5.50% respectively, and leave minimum reserve requirement ratios unchanged. NBR's F**ebruary 2026 Inflation Report shows that headline inflation is expected to follow an overall downward path**, but the entire trajectory has been revised slightly upwards compared to the November 2025 forecast, especially for mid-2026.
- **The headline inflation eased to 9.6%yoy in Jan** (down slightly from 9.7% in Dec). **Core inflation remained unchanged** from the previous month **at 8.5%yoy.** A return of annual inflation to the 1.5%-3.5% target range appears achievable only in early 2027.
- **The Romanian current account deficit reached 8% of GDP in 2025,** lower by 0.15pp in comparison to 2024. The current account deficit in 2025 was EUR 30.1bn, up by 4.4%yoy. **Foreign direct investments** increased by 45.5%yoy to EUR 8.2bn in 2025.
- The volume of **construction works was up by 7.2%mom** (s.a. data) and **by 5.3%yoy** (gross data) **in Dec 2025**, due to the increase of non-residential buildings (+25.2%yoy), while residential buildings and engineering works decreased by 1.4%yoy and 1.9%yoy.

European Economy

- **Producer prices in Germany fell by 0.6%mom and by 3%yoy in Jan 2026**, deepening from the 2.5%yoy decline recorded in Dec.
- **The eurozone composite PMI rose to 51.9 in February.** Private sector activity recorded its strongest expansion since November, supported by manufacturing and services. **The eurozone manufacturing PMI rose more than expected to 50.8 in February.** Business sentiment reached a four-year high. **The eurozone services PMI increased to 51.8 in February,** supported by ongoing activity gains. The increases in eurozone PMIs are seen in the PMIs of Europe's two biggest economies: France and Germany.

US Economy

- **The US industrial production increased by 0.7%mom and by 2.3%yoy in Jan 2026.** Manufacturing grew by 0.6%mom (+2.4%yoy).
- **The US economy grew at an annualized rate of 1.4% in 4Q2025,** down from 4.4% in 3Q, according to the advance estimate. **For the full year 2025, the economy expanded by 2.2%,** compared to 2.8% in 2024.
- **The US core personal consumption expenditure (PCE) price index**, which excludes food and energy, **rose by 0.4%mom (+3.0%yoy) in Dec 2025.**
- Last Friday, **the US Supreme Court ruled that the tariffs US President Donald Trump** enacted under the International Emergency Economic Powers Act (IEEPA) **are illegal**. This covers around 70% of all additional tariffs Trump has imposed during his second term.

The external calendar for this week includes the **GE Ifo Business Climate, expectations and current assessment, US factory orders** (Monday), **US consumer confidence** (Tuesday), **GfK consumer confidence** (Wednesday), **EC economic sentiment** (Thursday), **GE unemployment rate** and **CPI** and **US PPI** (Friday). The Romanian calendar includes the **Money Supply** (Tuesday).

UniCredit Bank

Data spotlight: 16 – 20 February

CURRENCIES - MAJORS			
Currencies	Last	1D ch (%)	1M ch (%)
EURUSD	1.1796	0.08%	0.90%
EURCHF	0.91	0.12%	-1.57%
USDJPY	154.86	0.00%	-2.21%
GBPUSD	1.3508	0.23%	0.56%

CURRENCIES - CEE			
Currencies	Last	1D ch (%)	1M ch (%)
EURPLN	4.2175	-0.15%	0.08%
EURHUF	379.95	-0.35%	-1.05%
EURCZK	24.23	-0.02%	-0.35%

CURRENCIES - NBR REFERENCE				
Currencies	EUR	USD	SDR	XAU (1g)
23-Feb	5.8393	0.2689	00 0.0257	1.3886

CURRENCIES - RON		
	EURRON	USDRON
23-Feb	5.097	4.320
20-Feb	5.098	4.326
19-Feb	5.098	4.329

FIXED INCOME MARKET YIELDS - LOCAL				
Mid-rate	1Y	3Y	5Y	10Y
23-Feb	5.9	6.0	6.0	6.3
20-Feb	5.9	6.0	6.0	6.4
18-Feb	5.9	6.0	6.1	6.3

MONEY MARKET RATES - LOCAL			
ROBOR	ON	1M	3M
23-Feb	5.65	5.55	5.75
20-Feb	5.65	5.70	5.80
19-Feb	5.65	5.80	5.82

MONEY MARKET RATES - MAJORS			
Euribor	1M	3M	6M
20-Feb	1.94	2.02	2.14
19-Feb	1.93	2.02	2.14
18-Feb	1.92	2.01	2.14
USDSFOR	1M	3M	6M
20-Feb	3.67	3.76	4.01
19-Feb	3.66	3.76	4.01
18-Feb	3.66	3.77	4.02

STOCK MARKETS			
Index	Last	1D ch (%)	1M ch (%)
S&P 500	6,909.5	0.69%	1.66%
FTSE	46,076.0	0.01%	0.07%
Hang Seng	56,825.7	-1.12%	7.68%
Bucharest BET	27,081.9	2.53%	2.24%

Romanian Economy

NBR's February Inflation Report

The updated February 2026 projection shows that headline inflation is still expected to follow an overall downward path, but the entire trajectory has been revised slightly upwards compared to the November 2025 forecast, especially for mid-2026. After ending 2025 at 9.69%, headline inflation is now expected to ease to about 9.2% in March before briefly rising to 9.8% in 2Q26 due to base effects from last year's sharp drop in natural gas prices and, to a lower extent, for fuels and electricity; from the third quarter onward, inflation should fall more markedly as the 2025 energy and indirect tax shocks drop out of the annual comparison, bringing the rate down to 3.9% by the end of 2026 and to 2.9% by December 2027. These are slightly higher values than those anticipated in the previous report, reflecting stronger contributions from core inflation and upward adjustments in natural gas, tobacco, and administered prices during the first part of the forecast interval. Reaching the upper limit of the target range is anticipated for 1Q27, and the return within it in 2Q27, one quarter later than in the previous forecast.

Core inflation is projected to remain elevated in early 2026, declining only marginally to 8.2% in 1Q26 and staying around 8.1% in 2Q26, before entering a steeper disinflationary phase from 3Q26 onward. However, the outlook has been revised upward too from November, as price pressures in services, rigidities in price-setting, lingering energy cost pressures and a slight increase in short-term inflation expectations all imply more persistence than previously expected, with the

UniCredit Bank

Data spotlight: 16 – 20 February

Romania Economy (continued)

adjusted CORE2 inflation rate now forecasted at 4.0% at end-2026 and 2.1% at end-2027.

Romania's near-term economic outlook remains subdued, with activity expected to weaken further after the GDP contraction recorded in 3Q25, as fiscal consolidation, lower real incomes, and soft industrial output continue to restrain domestic demand. The report, as has the governor many times in the press conference, notes that the output gap is projected to continue to widen until 4Q26 (demand deficit), and then to remain broadly at this level until the forecast horizon. This increasingly negative gap signals easing underlying demand pressures, which supports the broader disinflation process. Over the medium term, growth is expected to gradually firm as investment (driven by strong expected absorption of EU funds under the revised NRRP) becomes the primary engine of expansion, helping GDP move closer to potential by 2027. Meanwhile, the correction in domestic demand plays a central role in temporarily improving the external balance, with net exports projected to turn slightly positive in 2026 before moderating again the following year.

The report highlights significant risks to this outlook: domestically, uncertainties around fiscal policy sequencing, potential cost pressures from energy-price liberalization and the removal of food mark-up caps, and structural labour market rigidities all threaten to slow the recovery. Externally, geopolitical tensions, commodity price volatility, and exchange rate movements add further uncertainty, while upcoming energy-transition measures such as the ETS2 carbon pricing system may raise production costs over the medium term. As mitigating factors, the report emphasizes the need for a coherent policy mix, credible fiscal consolidation, and especially effective absorption of EU funds (especially NRRP funds), which can cushion the contractionary effects of fiscal tightening, support structural reforms, energy transition and investment, and reinforce business and investor confidence conditions deemed essential for narrowing the output gap sustainably and restoring balanced growth.

The main messages conveyed during the press conference for the February 2026 Inflation Report are:

- The NBR is currently carrying out a balancing act, looking through the high inflation (considering that it was caused by supply side shocks) in order not to temper further the economic activity, but it cannot cut the key rate either due to risks of a loss of credibility. Price stability is the fundamental objective of the National Bank of Romania.
- The 2pp drop in ROBOR rates from the May 2025 peaks and the exchange rate stability are positive signals for the monetary easing space and once they will also see annual inflation coming down sharply (expected during the summer), they will most probably start to cut the key rate. With the first supply-side shock eliminated from the July 2026 inflation figure and the second from the August 2026 figure, we believe that the most likely scenario is a first key rate cut in August 2026, followed by consecutive cuts at the next meetings, totaling 75bp by year-end. Yet, we cannot rule out a cut in July if the economic activity will temper sharply and Romania will enjoy fiscal and political stability.
- For now, the good liquidity conditions are supporting growth, helping to avoid a clear recession, but without generating inflationary pressures.

UniCredit Bank

Data spotlight: 16 – 20 February

Romania Economy (continued)

- In the opinion of the NBR Govenor, Mugur Isărescu, Romania may avoid an annual recession in 2026. Yet, growth remains fragile and right now investments are the only source of growth. The decline in retail trade could lead to a real recession without public investment. At the same time, public investment growth must be double digit to be able to compensate for the lower consumption, as not all investments have a multiplier effect.
- Lowering the public debt requires economic growth above the deficit, possible after stabilizing the deficit below 3% of GDP. The public debt level above 60% of GDP does not automatically generate problems; a proper debt management and listening to the messages from the key investors will allow Romania to meet its financial obligations without difficulties.
- The reserves are high and there is no need for an agreement with the IMF, especially considering that Romania can access financing on the internal and external markets.
- Romania will focus on euro adoption once the deficit will decrease below 3% of GDP.

The NBR kept the key rate at 6.50% in February 2026

The NBR Board decided on 17 February 2026 to keep the key policy rate at 6.50%, with the lending and deposit facility rates at 7.50% and 5.50%, respectively, and leave minimum reserve requirement ratios unchanged.

The annual inflation rate started to decline mildly at the beginning of 4Q25, reaching 9.69% in December from 9.88% in September, largely due to significant decreases in fuel and volatile food price dynamics. HICP inflation reached 8.6% in December 2025, while average annual CPI and HICP inflation also climbed compared to 2024.

In January 2026, inflation edged down to 9.62%, but CORE2 inflation stayed at 8.5%, as energy price declines were offset by increases in administered and volatile food prices.

Preliminary data show that economic activity contracted by 1.9%qoq in 4Q25 after a slight decline in 3Q, with annual growth slowing to 0.1%yoy; overall, economic growth eased to 0.6% in 2025 from 0.9% in 2024.

High frequency indicators show mixed dynamics across demand components and sectors in 4Q25: retail sales declined more sharply, industrial output contracted slightly, construction remained positive but slowed, and exports outpaced imports more notably, leading to a stronger contraction of the trade deficit and only a mild widening of the current account deficit.

Employment fell slightly in late 2025, unemployment edged down, wage growth slowed less than before, and surveys for early 2026 show weaker hiring intentions and reduced labour shortages.

Private sector credit growth slowed to 6.2% in December 2025, driven by weaker lei denominated corporate lending, reducing the share of local currency loans.

The NBR Board reviewed and approved the February 2026 Inflation Report, incorporating the latest data and analysis.

The next monetary policy meeting of the NBR Board will be held on 6 April 2026.

UniCredit Bank

Data spotlight: 16 – 20 February

Romania Economy (continued)

The annual headline inflation tempered to 9.6% in January

The headline inflation eased to 9.6%yoy in January (down slightly from 9.7% recorded in the previous month), slightly lower than our expectations and higher than the consensus [UniCredit: 9.7; consensus: 9.5]. Core inflation remained unchanged from the previous month, at 8.5%yoy.

The monthly increase for the consumer basket was a solid 0.9%, with prices rising as follows: +1.6%mom for services, +0.9%mom for food products and +0.5%mom for non-food products.

Most service prices increased during January due to the usual price adjustments experienced at the beginning of the year, but the impact from this seasonality was higher this year than in the previous ones. The highest price increases were recorded in water supply, sewage and refuse collection (+9.1%mom), games of chance (+2.6%) – which is a new category included in the consumer basket and interurban transport (other transport types) (+1%mom).

In the food category, the highest price increases came from volatile goods, namely fresh and tinned vegetables (+3.6%mom), eggs (+2.3%mom), fruit and tinned fruit (+1.5%mom), and cocoa and coffee (+1.1%mom).

In the non-food category, there were mild price increases for most categories, with the standouts being fuels (+1.8%mom) and tobacco products (+1.2%mom), while the price for electric energy, gas and central heating decreased (-0.5%mom).

Inflationary risks are likely to remain elevated this year, largely depending on upcoming fiscal measures. According to our calculations, a return of annual inflation within the 1.5%-3.5% target range is likely in early 2027, although core inflation could return a bit earlier, in 4Q26.

The current account deficit was 8% of GDP in 2025

The Romanian current account deficit for 2025 reached 8% of GDP, lower by 0.15pp in comparison to 2024. The current account deficit in 2025 was EUR 30.1bn, up by 4.4%yoy, due to a significant drag from the primary income balance. The goods' trade balance came in at EUR -32.3bn, lower by 1.9%yoy). The surplus in services increased by EUR 370mn (+3.1%yoy) to EUR 12bn. The increase was due to the transport services' surplus, up by 25%yoy to EUR 6.06bn, the surplus of the IT&C services up by 9.5%yoy to EUR 6.9bn, while manufacturing services dropped by 2.3% to EUR 2.7bn and the other categories registered a significant decline of -29.7% to EUR 977mn. The Romanian tourism has a negative balance, and the deficit increased in 2025 to -EUR 4.6bn (+26.7%yoy). The primary income deficit increased by EUR 1.86bn to -EUR 10.2bn, while the secondary income recorded a surplus of EUR 290mn in the full year (down by 59.1% from last year). Foreign direct investments increased by 45.5%yoy to EUR 8.2bn as of 2025. We expect the current account deficit to continue to temper this year towards 7% of GDP considering the decreasing consumptions which is limiting imports and the expected recovery in external demand.

UniCredit Bank

Data spotlight: 16 – 20 February

Romania Economy (continued)

- **The Romanian construction sector increased in December, driving 2025 annual growth to 8.0%yoy**

The volume of construction works was up by 7.2%mom in December 2025 (s.a. data), due to increases in non-residential buildings (+16.4%mom), engineering works (+11.5%mom), while residential buildings decreased by 0.3%mom.

In yearly terms, the total volume of construction works increased overall by 5.3%yoy (gross data) in December 2025, up from a 1.9%yoy increase in November, due to the increase of non-residential buildings (+25.2%yoy), while residential buildings and engineering works decreased by 1.4%yoy and 1.9%yoy, respectively.

The construction sector has been on a positive trend in 2025, registering an 8.0%yoy increase versus 2024 due to increases in all sectors: non-residential buildings (+13.0%yoy), residential buildings (+11.4%yoy) and engineering works (+4.5%yoy), stimulated by rising building permits and public investments in infrastructure.

The Romanian construction sector enters 2026 at high activity levels, with construction volumes nearly twice those recorded before the pandemic. The sector is expected to continue to growth throughout 2026, supported by public investment through improved absorption of EU funds.

UniCredit Bank

Data spotlight: 16 – 20 February

European Economy

The German producer prices continued to drop in January

Producer prices in Germany fell by 0.6%mom in January 2026, extending the 0.2%mom decrease recorded in the previous month and missing market expectations of a 0.3% increase.

In annual terms, producer prices fell by 3%yoy in January, deepening from the 2.5%yoy decline recorded in December and surpassing market expectations of a 2.1% decrease. The drop was largely driven by an 11.8% reduction in *energy costs*. Within the energy sector, the steepest declines were seen in natural gas (-13.7%), electricity (-11.2%), mineral oil products (-8%), and district heating (-0.3%). *Non-durable consumer goods* slipped by 0.2%, pressured by a 1.3% decrease in food product prices, while costs for *capital goods* and *durable consumer goods* increased by 1.8% and 2.1%, respectively. Excluding energy, producer prices rose by 1.2%, following a 0.9% increase in December 2025.

The eurozone, German and French PMIs rose in February

The eurozone composite PMI rose to 51.9 in February from 51.3 in January, surpassing expectations [UniCredit and consensus: 51.5]. Private sector activity recorded its strongest expansion since November, supported by the most robust increase in manufacturing output since August 2025 and quicker growth in the services sector. However, new orders rose only slightly, held back by a continued decline in foreign demand. Employment dipped modestly for the second consecutive month, and outstanding business volumes kept shrinking. On the pricing side, input costs rose at their fastest rate in 34 months (tied with a previous high), while growth in output charges softened somewhat. Business sentiment eased but remained at its second-highest reading in nearly two years.

The eurozone manufacturing PMI rose more than expected to 50.8 in February [UniCredit: 49.3; consensus: 50.0], from 49.5 in January. The reading pointed to the strongest improvement in manufacturing business conditions since June 2022, with new orders increasing for the first time in six months. Business sentiment reached a four-year high

The eurozone services PMI increased to 51.8 in February missing expectations slightly [UniCredit and consensus: 51.9], from 51.6 in January. Growth was supported by ongoing activity gains, although new business increased at a slower pace, pointing to softer demand momentum while employment levels were unchanged.

The increases in eurozone PMIs are seen in the PMIs of Europe's two biggest economies: France and Germany.

The German composite PMI increased to 53.1 in February, from 52.1 in the previous month, beating expectations [UniCredit and consensus: 52.3]. The reading revealed that business activity growth in Germany accelerated, with both manufacturing (52.3 vs 51.4) and services (53.4 vs 52.4) also climbing to their strongest levels in four months. The rise continued to be supported by stronger demand for goods and services, with inflows of new work rising for the fourth time in the past five months.

UniCredit Bank

Data spotlight: 16 – 20 February

European Economy (continued)

Moreover, *the French composite PMI* rose to 49.9 in February, from 49.1 in January, recording the second month in the contractionary area (below 50 points). The service remained in the contractionary area (49.6 vs. 48.4), while manufacturing continued expansion (51.6 vs. 52.1). The reading indicates that French business activity was largely flat during the month, amid ongoing weak demand conditions. Firms' confidence for the year ahead weakened slightly but remained above the 2025 average.

UniCredit Bank

Data spotlight: 16 – 20 February

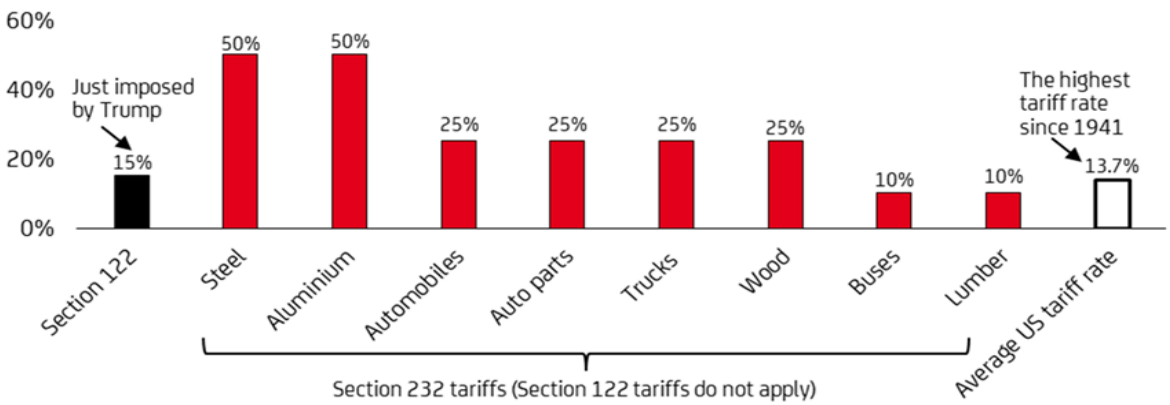
US Economy

US Supreme Court struck down "reciprocal" tariffs

Last Friday, the US Supreme Court ruled, in a 6-3 decision, that the tariffs US President Donald Trump enacted under the International Emergency Economic Powers Act (IEEPA) are illegal. This covers around 70% of all additional tariffs Trump has imposed during his second term, including the so-called "reciprocal" tariffs on almost all countries that were announced on "Liberation Day" and additional tariffs on Mexico, Canada and China related to illegal fentanyl. The Trump administration responded over the weekend, invoking Section 122 of the Trade Act of 1974 by declaring a balance of payments crisis to impose a 15% tariff on almost all countries that will last 150 days, unless Congress decides to extend it, which seems unlikely. The new tariffs exclude certain critical minerals, pharmaceuticals, USMCA-compliant goods from Canada and Mexico (which are covered by a free trade agreement), and those sectors subject to tariffs under Section 232 of the Trade Expansion Act of 1962 (e.g. cars, steel and aluminium). As the current situation presents itself, this decision by the Supreme Court most likely will not affect the already announced trade deals (like the one with the EU) and their implementation as conditions are still more favorable within the terms of the deals and most countries want to avoid irritating the White House which could retaliate on other issues.

COMPLEX TARIFFS PICTURE

US TARIFF RATES BASED ON DIFFERENT PRESIDENTIAL AUTHORITIES



Source: Yale Budget Lab, The Investment Institute by UniCredit

The chart shows the latest tariff rates imposed by the Trump administration. Besides the flat 15% rate imposed on almost all countries under Section 122 (effective 24 February), there are a plethora of other sectoral tariff rates under Section 232, ranging from 50% on steel and aluminium to 10% on buses. Overall, the average tariff rate in the US is 13.7% – down from about 16% before the Supreme Court ruling and the highest since 1941. Some countries, particularly emerging economies such as Brazil, China and India, benefit greatly from the reduction and might experience a significant frontloading of their exports to the US. For the EU, whose reciprocal rate was 15%, things are roughly unchanged. For the UK, the tariff rate has increased from 10% to 15%.

UniCredit Bank

Data spotlight: 16 – 20 February

US Economy (continued)

US industrial production increased in January

Industrial production in the United States increased by 0.7%mom in January 2026 compared with the previous month (the strongest rise since February) and exceeded expectations [UniCredit: 0.1%; consensus: 0.3%]. Compared to a year ago, industrial output rose by 2.3%yoy.

Manufacturing output grew by 0.6%mom (+2.4%yoy), also the largest increase since February, with broad-based improvements across industry groups. *Mining* output fell 0.2%mom (+2.5%yoy), following a 0.9% decline in December, while *utility* output rose 2.1%mom (+1.1%yoy). *Capacity utilization* climbed to 76.2%, which remains 3.2 percentage points below its long-term average (1972–2025).

US core PCE inflation slightly increased in December

The US core personal consumption expenditure (PCE) price index, which excludes food and energy and is the preferred inflation indicator by the Fed, rose by 0.4%mom in December 2025, slightly higher than expectations [UniCredit and consensus: 0.3], according to data released by the Bureau of Economic Analysis. On an annual basis, core PCE inflation inched up to 3%yoy in December from 2.8% in the previous month, slightly above UniCredit forecast of 2.9% and well above the Federal Reserve's target of 2%.

US personal income rose by 0.3%mom in December 2025 (following a 0.3% increase in November) as expected by UniCredit. This is the seventh consecutive monthly increase in personal income, primarily reflecting a rise in compensation of employees (+0.2%) and personal current transfer receipts (0.8%).

US personal spending increased by 0.4%mom (unchanged from the previous month). Spending growth was led by higher spending on housing and utilities, recreation services, healthcare and financial services and insurance.

US real GDP decelerated grow in 4Q2025

The US economy grew at an annualized rate of 1.4% in 4Q2025 (the slowest pace since 1Q 2025) down from 4.4% in 3Q and well below the projections [UniCredit: 2.5; consensus: 3], according to the advance estimate. Consumer spending eased to 2.4% (from 3.5%), weighed by a slight 0.1% drop in goods purchases, while services spending increased 3.4%. Exports declined 0.9% (after a strong 9.6% surge in Q3), and imports also fell, though less sharply (-1.3% vs. -4.4%). Government spending and investment posted a steep 5.1% contraction due to the 43-day government shutdown. In contrast, fixed investment picked up to 2.6% (from 0.8%), supported by robust growth in intellectual property products (7.4% vs. 5.6%) and equipment (3.2% vs. 5.2%), along with a smaller decline in structures (-2.4% vs. -5.0%). The drop in residential investment also moderated, improving to -1.5% from -7.1%.

For the full year 2025, the economy expanded by 2.2%, compared with 2.8% in 2024, with growth primarily supported by increases in consumer spending and investment.

UniCredit Bank

Data spotlight: 16 – 20 February

International and Romanian Markets

- **The EUR-RON under upward pressure last week**

The EUR-RON traded with an upward bias last week, within the 5.0919-5.0985 range. The pair ended Friday's trading session at 5.0982, slightly higher than the 5.0962 level at the closing on 13 February. We expect the pair to continue to trade within the 5.08-5.10, with market attention shifting to the discussions on the 2026 budget plan.

- **The ROBOR curve decreased slightly last week**

The ROBOR rates decreased slightly last week. The ON ROBOR remained unchanged at 5.64% while the 1W was down by 1bp to 5.64%, the 1M down by 1bp to 5.67% and the 3M down by 5bp to 5.78%. The ROBOR curve is likely to continue its slightly downward trend towards the 5.50% deposit facility rate, considering the ample liquidity.

- **MinFin auction**

On Monday, the Ministry of Finance held auctions for T-bonds, with maturities of 5.4Y and 14.4Y. For the 5.4Y T-bond the bids exceeded the planned amount, at RON 1731.3mn vs. RON 400mn, with MinFin placing RON 536.3mn. The average accepted yield was 6.11% (max 6.12%), lower by 23bp from previous auction. For the 14.4Y T-bond the bids exceeded the planned amount, at RON 476.7mn vs. RON 400mn, with MinFin placing RON 366.7mn. The average accepted yield was 6.64% (max 6.65%), lower by 26bs from the auction in January.

On Thursday, the Ministry of Finance held auctions for a T-bond with maturity of 2.2Y for which the bids exceeded the planned amount, at RON 1678.0mn vs. RON 700mn, with MinFin placing RON 810mn. The average accepted yield was 5.87% (max 5.87%), lower by 21bp from previous auction.

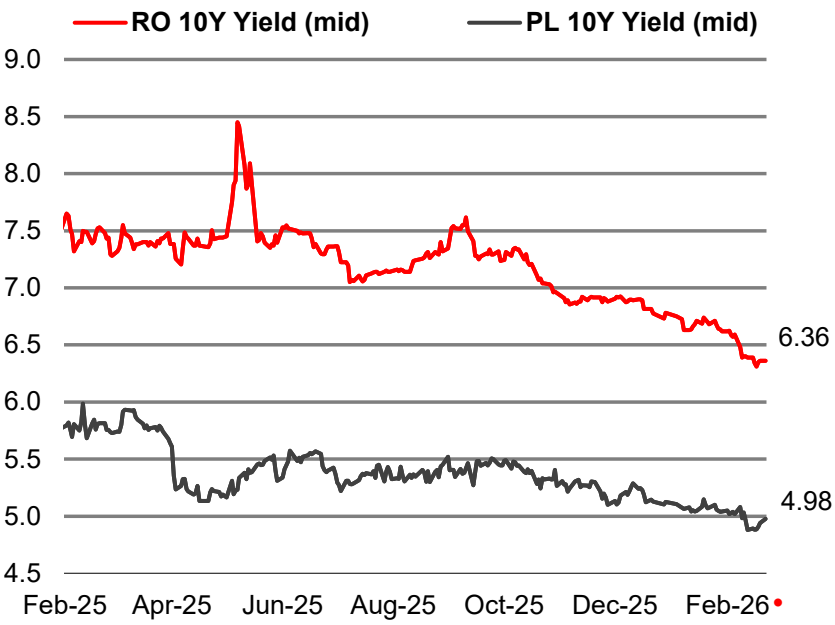
- **FX markets**

The EUR-USD traded between 1.1744 - 1.1868 last week, with a slight overall downward bias, ending the week under the 1.18 level. The pair traded within a tightening range last week as shifting U.S. macro data and a cautious market tone gradually tilted momentum in favor of the dollar. The euro started the week slightly stronger, supported by softer U.S. inflation figures that reinforced expectations for Federal Reserve rate cuts later in the year, allowing the pair to hold above the 1.1860-1.1845 area. As the week progressed, risk sentiment deteriorated amid geopolitical tensions and anticipation of key U.S. data releases, prompting renewed dollar demand and pushing the pair back toward the 1.1835 support region. On Friday, the release of sharply weaker U.S. GDP data initially suggested downside pressure on the dollar, but this effect was overshadowed by firmer-than-expected PCE inflation, which kept the Federal Reserve's cautious policy stance intact. As a result, EUR-USD recovered only modestly from intraday lows and ended the week near 1.1780, unable to regain earlier highs. Overall, the pair finished the week softer, weighed down by persistent U.S. inflation pressures and a stronger dollar driven by risk-averse market positioning.

UniCredit Bank

Focus Ahead: 23 – 27 February

MinFin Issues



Data Source: Thomson Reuters

- According to the fixing levels, the Romanian yields decreased last week. The 1Y dropped by 4bp, the 3Y by 3bp, the 5Y by 5bp and the 10Y by 5bp. Investor confidence continued to push bond yields down as the CCR validated the long-delayed magistrate's pensions reform on Wednesday. The market was seemingly anticipating the official NBR inflation projections to be revised upward, with yields continuing to decrease after the February inflation report was published. However, episodes of upward pressure cannot be ruled out as the disagreements in the government coalition continue.
- MinFin will issue RON 600mn in a 7.8Y T-bond on Monday and RON 400mn in a 8.7Y T-bond on Thursday.

BOND ISSUES - February

ISIN Code	Auction Date	Maturity Date	Months	Planned Amount (mn)	Currency	Total Applications	Total Allocated	Yield (avg)
ROTM7EDD92S2	26-Feb-26	31-Jul-34	103	400lei				
ROWLVEJ2A207	23-Feb-26	30-Oct-33	94	600lei				
ROCDG04X8WJ7	19-Feb-26	26-Apr-28	27	700lei		1,678	810	5.87
ROOFOYB15203	16-Feb-26	27-Jul-31	66	400lei		1,731	536	6.11
RO677ZOKPGQ8	16-Feb-26	30-Jul-40	176	400lei		477	367	6.64
ROPG9LZUB0O2	12-Feb-26	27-Jul-33	91	600lei		1,180	600	6.35
RO9LHGWIO4K6	12-Feb-26	15-Feb-27	12	1,000lei		1,912	998	5.75
RON4D08H94V4	9-Feb-26	29-Oct-29	45	800lei		2,085	1,030	6.11
RODFIUK7ZV55	9-Feb-26	25-Apr-35	112	500lei		1,774	891	6.4
ROO7A2H5YIN8	5-Feb-26	25-Feb-32	74	500lei		2,861	1,073	6.4
RO45DLJ4EE76	5-Feb-26	28-Apr-27	15	800lei		2,945	1,073	5.92
RO0DU3PR9NF9	2-Feb-26	24-Feb-38	147	400lei		374	304	6.66
ROYNCLHRHVV6	2-Feb-26	29-Jul-30	55	600lei		1,585	1,000	6.21

UniCredit Bank

Focus Ahead: 23 – 27 February

Data Calendar – February 2026

	Country	Indicator/Event	Period	UniCredit forecast	Consensus	Previous
23.02.2026	GE	Ifo Business Climate (index)	Feb	88.2		87.6
	GE	Ifo expectations (Index)	Feb	90.0		89.5
	GE	Ifo current assessment (Index)	Feb	86.3		85.7
	US	Factory orders (% mom)	Dec			2.7
24.02.2026	RO	Money supply (M3, yoy%)	Jan			7.2
25.02.2026	GE	GfK consumer confidence	Mar	-23.0		-24.1
26.02.2026	EMU	EC Economic sentiment (index)	Feb	99.5		99.4
27.02.2026	GE	Unemployment rate (%)	Feb	6.3		6.3
	GE	Consumer price index, CPI (% yoy)	Feb	1.9		2.1
	US	PPI ex. food & energy (% mom)	Jan	0.4		0.7

Data Source: Bloomberg

UniCredit Bank

Economic Forecasts

MACROECONOMIC DATA AND FORECASTS	2022	2023	2024	2025F	2026F	2027F
GDP (EUR bn)	281.7	324.4	353.8	376.6	396.4	415.5
Population (mn)	19.0	19.1	19.1	19.0	19.0	19.0
GDP per capita (EUR)	14,790	17,024	18,556	19,784	20,857	21,894
Real economy, change (%)						
GDP	4.0	2.4	0.8	0.8	1.5	3.0
Private Consumption	5.1	3.0	6.0	1.4	2.9	3.3
Fixed Investment	5.4	14.5	-3.3	3.5	4.3	4.5
Public Consumption	-1.4	6.3	0.7	-1.8	-0.8	2.0
Exports	9.3	-0.8	-3.1	2.7	4.8	4.7
Imports	9.3	-1.1	3.8	4.9	4.6	6.1
Monthly wage, nominal (EUR)	1303	1489	1710	1828	1895	1977
Real wage, change (%)	-2.2	3.6	9.4	0.9	-2.2	3.2
Unemployment rate (%)	5.6	5.6	5.5	6.0	6.8	6.6
Fiscal accounts (% of GDP)						
Budget balance	-6.4	-6.6	-9.3	-8.4	-6.4	-5.7
Primary balance	-4.3	-4.7	-7.2	-5.7	-3.6	-2.9
Public debt	47.9	48.9	54.8	62.5	66.7	69.3
External accounts						
Current account balance (EUR bn)	-26.8	-21.5	-28.9	-31.0	-28.4	-28.3
Current account balance/GDP (%)	-9.5	-6.6	-8.2	-8.2	-7.2	-6.8
Extended basic balance/GDP (%)	-4.1	-1.9	-5.5	-4.7	-3.3	-2.5
Net FDI (% of GDP)	3.3	2.0	1.3	1.5	1.7	2.1
Gross foreign debt (% of GDP)	54.6	56.4	57.5	58.7	61.3	61.2
FX reserves (EUR bn)	46.6	59.8	62.1	64.8	69.1	70.7
Months of imports, goods & services	4.0	5.1	5.1	5.0	5.1	4.9
Inflation/Monetary/FX						
CPI (pavg)	13.7	10.5	5.6	7.3	7.3	3.4
CPI (eop)	16.4	6.6	5.1	9.7	4.5	3.2
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	5.50	4.50
3M money market rate (Dec avg)	7.66	6.25	5.91	6.22	5.09	4.49
USDRON (eop)	4.63	4.50	4.78	4.34	4.38	4.38
EURRON (eop)	4.95	4.97	4.97	5.10	5.17	5.25
USDRON (pavg)	4.68	4.57	4.60	4.47	4.34	4.38
EURRON (pavg)	4.93	4.95	4.97	5.04	5.10	5.22

UniCredit Bank

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

MARKETING COMMUNICATION

This publication constitutes a marketing communication of UniCredit Bank S.A., UniCredit S.p.A., UniCredit Bank Austria AG, Schoellerbank AG and UniCreditBank GmbH (hereinafter jointly referred to as the "UniCredit Group") is addressed to the general public and is provided free of charge for information only. It does not constitute investment recommendation or consultancy activity by the UniCredit Group or, even less, an offer to the public of any kind nor an invitation to buy or sell securities. The information contained herein does not constitute an investment research or financial analysis since, in addition to the lack of content, it has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and it is not subject to any prohibition on dealing ahead of the dissemination of investment research.

UniCredit Group, including all its group companies may have a specific interest in relation to the issuers, financial instruments or transactions detailed herein. Relevant disclosures of interests and positions held by UniCredit Group are available at: ConflictsofInterest_PositionsDisclosures. Any estimates and/or assessments contained in this publication represent the independent opinion of the UniCredit Group and, like all the information contained therein, are given in good faith on the basis of the data available at the date of publication, taken from reliable sources, but having a purely indicative value and subject to change at any time after publication, on the completeness, correctness and truthfulness of which the UniCredit Group makes no guarantees and assumes no responsibility. Interested parties must therefore carry out their own investment assessments in a completely autonomous and independent manner, relying exclusively on their own considerations of the market conditions and the information available overall, also in line with their risk profile and economic situation. Investment involves risk. Before any transaction in financial instruments please refer to the relevant offering documents. It should also be noted that:

1. Information relating to the past performance of a financial instrument, index or investment service is not indicative of future results.

2. If the investment is denominated in a currency other than the investor's currency, the value of the investment can fluctuate strongly according to changes in exchange rates and have an undesirable effect on the profitability of the investment.

3. Investments that offer high returns can undergo significant price fluctuations following any downgrading of creditworthiness. In the event of bankruptcy of the issuer, the investor may lose the entire capital.

4. High volatility investments can be subject to sudden and significant decreases in value, being able to generate significant losses at the time of sale up to the entire capital invested.

5. In the presence of extraordinary events, it may be difficult for the investor to sell or liquidate certain investments or obtain reliable information on their value.

6. If the information refers to a specific tax treatment, it should be noted that the tax treatment depends on the individual situation of the customer and may be subject to change in the future.

7. If the information refers to future results, it should be noted that they do not constitute a reliable indicator of these results.

8. Diversification does not guarantee a profit or protect against a loss.

The UniCredit Group cannot in any way be held responsible for facts and/or damages that may arise to anyone from the use of this document, including, but not limited to, damages due to losses, lost earnings or unrealized savings. The contents of the publication – including data, news, information, images, graphics, drawings, brands and domain names – are owned by the UniCredit Group unless otherwise indicated, covered by copyright and by the industrial property law. No license or right of use is granted and therefore it is not allowed to reproduce its contents, in whole or in part, on any medium, copy them, publish them and use them for commercial purposes without prior written authorization from UniCredit Group unless if purposes of personal use only.