

Macroeconomic and Strategic Analysis

UniCredit Weekly Report



The Romanian construction sector increased in September, driving the 9M25 growth to 9.3%yoy

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Anca Maria NEGRESCU

Senior Economist

anca.negrescu@unicredit.ro

+40 723 103 008

Alexander RAGEA

Junior Macroeconomic Economist

Alexander-Constantin.Ragea2@unicredit.ro

Weekly briefing

Romanian Economy

- **The volume of construction works increased in September 2025** both compared to previous month (7.7%mom s.a. data) and to September 2024 (8.2%yoy gross data).

The construction sector has been on a positive trend in 2025 registering a 9.3%yoy increase in 9M2025 due to increases in all sectors: residential buildings (+11.3%), engineering works (+9.3%), and non-residential buildings (+8.1%yoy).

European Economy

- **The German producer prices continued to drop by 1.8%yoy in October 2025** (marking the eighth consecutive month of negative annual dynamics) due to lower energy costs (-7.5%yoy), especially natural gas (-12.1%), electricity (-8.3%), mineral oil products (-4.3%) and heating oil (-2.7%).

- **Eurozone consumer confidence remained unchanged in November at -14.2 remaining** well below its long-term average, indicating that households are still cautious despite easing inflation and an economy that has shown resilience to Trump's tariffs.

- **The eurozone composite PMI stood at 52.4 in November** indicating a further solid monthly rise in business activity due to increase in the services sector. **The eurozone manufacturing PMI decreased to 49.7 in November**, a five-month low, but business sentiment improved. **The eurozone services PMI rose to 53.1 in November**, marking the strongest expansion in the sector since mid-2024. Business confidence dropped marginally, companies remaining currently optimistic but slightly less in the future.

- **The German composite PMI decreased to 52.1 in November** due to contraction in manufacturing and a slowdown in the services sector. **The manufacturing PMI dropped to 48.4 in November** indicating the sharpest contraction in six months, but manufacturers reported stronger business confidence. **The services PMI decreased to 52.7** signaling solid growth despite the decline.

US Economy

- **The US October employment report for September shows an increase of the non-farm payrolls by 119k new jobs. The US unemployment rate rose to 4.4% in September** (from 4.3% in August) - the highest unemployment rate since October 2021.

- **Minutes of the October 28-29 FOMC Meeting** signal a continued shift toward a more accommodative stance amid signs of moderating economic activity and rising downside risks to employment.

This week, the external calendar includes **German Ifo Business climate, Business expectations and current assessment** (Monday), **US Core PPI** (Tuesday), **US PCE core inflation, Personal expenditures and Personal income** (Wednesday), **European Commission economic sentiment** (Thursday) and **German unemployment rate and CPI** (Friday). The Romanian calendar includes October money supply (Tuesday).

Data spotlight: 17 – 21 November

CURRENCIES - MAJORS

Currencies	Last	1D ch (%)	1M ch (%)
EURUSD	1.1539	0.17%	-0.61%
EURCHF	0.93	0.13%	1.01%
USDJPY	156.71	0.18%	3.18%
GBPUSD	1.3097	-0.02%	-1.95%

CURRENCIES - CEE

Currencies	Last	1D ch (%)	1M ch (%)
EURPLN	4.2325	-0.08%	-0.02%
EURHUF	382.80	-0.26%	-1.66%
EURCZK	24.20	-0.12%	-0.48%

CURRENCIES - NBR REFERENCE

Currencies	EUR	USD	SDR	XAU (1g)
24-Nov	5.0891	4.4184	1.3426	0.5675

CURRENCIES - RON

	EURRON	USD RON
24-Nov	5.086	4.410
21-Nov	5.088	4.420
20-Nov	5.089	4.414

FIXED INCOME MARKET YIELDS - LOCAL

Mid-rate	1Y	3Y	5Y	10Y
24-Nov	6.2	6.6	6.9	6.9
21-Nov	6.2	6.6	6.9	6.9
19-Nov	6.3	6.7	6.9	6.9

MONEY MARKET RATES - LOCAL

ROBOR	ON	1M	3M
24-Nov	5.75	5.80	6.25
21-Nov	5.70	5.90	6.25
20-Nov	5.75	5.83	6.27

MONEY MARKET RATES - MAJORS

Euribor	1M	3M	6M
21-Nov	1.93	2.05	2.12
20-Nov	1.92	2.05	2.13
19-Nov	1.92	2.07	2.15
USDSFOR	1M	3M	6M
21-Nov	4.07	4.22	4.31
20-Nov	4.08	4.22	4.31
19-Nov	4.09	4.23	4.31

STOCK MARKETS

Index	Last	1D ch (%)	1M ch (%)
S&P 500	6,603.0	0.98%	-1.44%
FTSE	45,985.0	0.01%	0.07%
Hang Seng	48,625.9	-2.40%	-1.38%
Bucharest BET	25,716.5	1.97%	-0.97%

Romanian Economy

■ The Romanian construction sector increased in September, driving the 9M25 growth to 9.3%yoy

The volume of construction works was up by 7.7%mom in September 2025 (s.a. data), due to increases in all sectors, namely residential buildings (+5.9%mom), non-residential buildings (+4.5%mom) and engineering works (6.7%mom).

In yearly terms, the total volume of construction works increased by 8.2%yoy (gross data) in September 2025, due to increases in residential buildings (+21.4%yoy), non-residential buildings (+29.6%yoy) while engineering works dropped a bit (-2.8%yoy).

The construction sector has been on a positive trend in 2025, registering a 9.3%yoy increase in 9M2025 due to increases in all sectors: residential buildings (+11.3%), engineering works (+9.3%), and non-residential buildings (+8.1%yoy), stimulated by demand on real estate and public investments in infrastructure.

In 2026, the construction sector's growth will depend more heavily on EU funding streams such as PNRR and the critical infrastructure projects under the SAFE program. While the positive momentum from 2025 provides a solid foundation, fiscal adjustment measures are expected to weigh on real estate developers and large state-funded projects, making external financing and strategic allocation of resources essential for sustaining expansion of the sector.

Data spotlight: 17 – 21 November

European Economy

■ **The German producer prices continued to drop in October**

Producer prices in Germany increased by 0.1%mom in October 2025 (after -0.1%mom in September), almost in line with market expectations of a flat zero. In annual terms, producer prices dropped by 1.8%yoy in October 2025 (after -1.7%yoy in September), almost in line with market expectations of -1.9%yoy, marking the eighth consecutive month of negative annual dynamics. The decrease was driven by lower energy costs (-7.5%yoy), especially natural gas (-12.1%), electricity (-8.3%), mineral oil products (-4.3%), and heating oil (-2.7%), while prices for intermediate goods declined by 0.5%. In contrast, prices increased for non-durable consumer goods (2.3%), durable consumer goods (1.7%) and capital goods (1.9%). Excluding energy, producer prices rose 0.8%yoy, following an increase of 0.9% in September.

■ **Eurozone consumer confidence remained unchanged in November**

Euro Area consumer confidence was at -14.2 in November 2025 (same as in the previous month), falling short of estimates [UniCredit and consensus: -14.0]. Consumer sentiment remains well below its long-term average, indicating that households are still cautious despite easing inflation and an economy that has shown resilience to Trump's tariffs. Across the EU, sentiment slipped by 0.1 points to -13.6.

■ **The PMI almost maintained in eurozone and declined in Germany in November**

The eurozone composite PMI stood at 52.4 in November from 52.5 in the previous month, almost as expected [UniCredit: 52.5; Consensus: 52.4], indicating a further solid monthly rise in business activity due to increase in the services sector (which recorded its fastest rise in output in 18 months), while manufacturing activity expanded only marginally. New order growth slowed down as export demand continued to decline, while employment levels maintained. Backlogs of work continued to shrink. On the inflation front, input costs rose at the fastest rate since March, but output price inflation eased to its lowest level in just over a year. Business sentiment increased slightly in November, signaling improving confidence despite softer demand indicators and global economic worries. The eurozone manufacturing PMI decreased to 49.7 in November 2025 (from 50 in October), below expectations [UniCredit: 50.4; consensus: 50.2], a five-month low. Both new orders and employment declined, output rose only marginally, while input costs increased for the first time in three months, and selling prices maintained. Business sentiment improved, with optimism reaching a five-month high. The eurozone services PMI rose to 53.1 in November 2025 (from 53 in October), above expectations [UniCredit 52.7; consensus: 52.9], marking the strongest expansion in the sector since mid-2024 due to an important rise in new orders. Employment continued to rise but only a bit, indicating more cautious hiring, input costs increased at a faster rate (showing inflationary pressure), but output price inflation slowed down. Business confidence dropped marginally, companies remaining currently optimistic but slightly less in the future.

The German composite PMI decreased to 52.1 in November 2025 (from 53.9 in October), below forecasts [UniCredit: 53.1; consensus: 53.2] due to contraction in manufacturing and a slowdown in

Data spotlight: 17 – 21 November**European Economy (continued)**

the services sector. The manufacturing PMI dropped to 48.4 in November (vs. 49.6 the previous month), below expectations [UniCredit: 50.0; consensus: 49.8] indicating the sharpest contraction in six months. Output increased at its slowest pace since July, while new orders fell for the second time in three months (due to decline in export sales). Employment in the sector continued to fall. Despite sector challenges, manufacturers reported stronger business confidence, with optimism about production over the next year reaching a three-month high. The services PMI decreased to 52.7 (vs. 54.6 the previous month) below expectations [UniCredit: 53; consensus: 54] signaling solid growth despite the decline. New orders continued to increase (supported by higher demand). On the price front, input cost inflation stayed above its long-run average, attributed mainly to higher wages while output price inflation eased. Service providers remained optimistic about activity in the next year, but the degree of confidence dropped to its lowest level since June.

Data spotlight: 17 – 21 November

US Economy

■ **The US September employment report above expectations, but unemployment on the rise**

The US employment report for September shows an increase of the non-farm payrolls by 119k new jobs, well above expectations [UniCredit: 60k; Consensus: 50k], recovering from a revised 4k decline in August. It is the biggest job rise in five months with jobs rising in healthcare (+43k), including ambulatory health care services (+23k) and hospitals (+16k). Job gains were also seen in food services and drinking places (+37k), and social assistance (+14k). In contrast, job losses were in transportation and warehousing (-25K) including warehousing and storage (-11K) and couriers and messengers (-7K).

The US unemployment rate rose to 4.4% in September from 4.3% in August, above expectations [UniCredit and consensus: 4.3%], reflecting the highest unemployment rate since October 2021.

The average hourly earnings rose by 0.2%mom in September to USD 36.67, slowing from 0.4% increase in August and below expectations [UniCredit and consensus: 0.3%]. Over the past 12 months the average hourly earnings rose by 3.8%yoy in September 2025.

the BLS announced that jobs data for October and November will be published on 16 December, hence after the December FOMC meeting.

■ **Minutes of the October 28-29 FOMC Meeting**

The Federal Open Market Committee (FOMC) minutes from October 28-29, 2025, signal a continued shift toward a more accommodative stance amid signs of moderating economic activity and rising downside risks to employment. The Committee voted to lower the federal funds rate by 25 basis points to a target range of 3.75-4.00 percent, citing increased fragility in the labor market and a desire to move toward a more neutral policy setting. While inflation remained somewhat elevated, members judged that risks to employment had grown more pronounced. Two members dissented: Governor Stephen Miran favored a 50bp cut, while Governor Jeffrey Schmid preferred no change.

Economic data available at the time indicated that real GDP growth had moderated through the first half of the year, with private domestic demand slowing relative to 2024 despite solid third-quarter momentum. Consumer spending firmed recently but showed divergence across income groups, while housing remained weak. Labor market indicators pointed to gradual cooling: job gains slowed, unemployment edged up, and hiring hesitancy persisted. Participants noted structural factors, such as AI-driven productivity gains and demographic constraints, may be reshaping labor demand. Inflation stayed above the Fed's 2% goal, with September PCE inflation at 2.8% (headline and core). Tariffs contributed to higher goods prices, though productivity improvements may have offset some cost pressures.

Financial conditions were broadly supportive. Treasury yields were little changed, equity prices rose on optimism about AI and earnings, and credit spreads remained tight. However, money market conditions tightened, reflecting declining reserve balances and increased Treasury issuance. The Committee agreed to end balance sheet runoff on December 1, reinvesting agency security paydowns into Treasury bills to maintain ample reserves and reduce volatility.

Data spotlight: 17 – 21 November**US Economy**

During the policy discussion, most participants emphasized that inflation had moved up modestly but remained manageable, while labor market risks had increased. Longer-term inflation expectations appeared well anchored, though members stressed the importance of preserving credibility. There was broad consensus that policy should balance two-sided risks: excessive restraint could trigger sharper labor market deterioration, while premature easing could entrench inflation.

Overall, the Committee reiterated its data-dependent approach and commitment to restoring inflation to 2% over time, but the tone of the discussion underscores a pivot toward supporting employment as the primary policy priority heading into late 2025

Data spotlight: 17 – 21 November

International and Romanian Markets

■ **The EUR-RON continued to trade above 5.08 last week**

The EUR-RON continued to be stable last week, trading in the narrow 5.0784-5.0900 range. The pair touched 5.0880 at the end of Friday's trading session, higher than the 5.0860 at the closing on 14 November. We expect the pair to continue to trade in a narrow range slightly above 5.08, considering the light data calendar. Market attention is likely to shift towards the implementation of the further fiscal measures, more specifically towards the local administration job cuts and the magistrate's pension reform. Both are expected to be finalized until the end of the month, based on promises made by the governing coalition.

■ **The ROBOR curve on decreasing trend**

The ROBOR rates were on a decreasing trend last week. The ON decreased by 1bp to 5.72%, 1W by 2bps to 5.72%, 1M by 5bp to 5.47% and the 3M by 4bp to 5.95%. Overall ROBOR rates remain stable with a decreasing tendency as a result of improved liquidity conditions on the market.

■ **MinFin auctions**

Today, the Ministry of Finance held an auction for a 14.9Y T-bond. The bids exceeded the planned amount, at RON 577.8mn vs. RON 500mn, with MinFin placing RON 447.8mn. The average accepted yield was 6.90% (max 6.91%), lower by 49bps from the previous month.

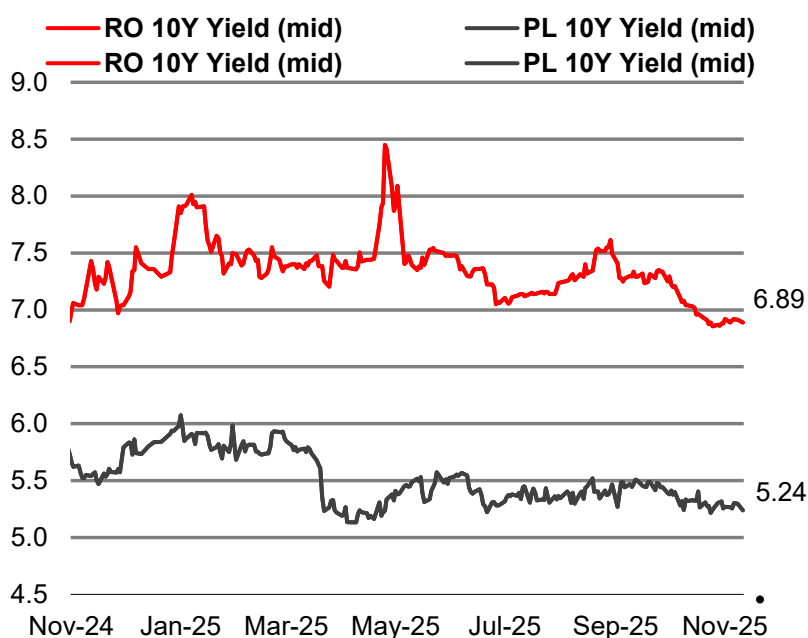
On Thursday, the Ministry of Finance held an auction for 4.6Y T-bond. The bids exceeded the planned amount, at RON 1105.0mn vs. RON 500mn, with MinFin placing RON 500mn. The average accepted yield was 6.90% (max 6.90%), lower by 8bps from the previous auction.

■ **FX markets**

The EUR-USD was more volatile in last week, trading between 1.1492-1.1652. The pair was on a downward trend since two Fridays ago due to a strong appreciation of the dollar in the context of fading market expectations for a rate cut from Fed in December 2025. Thus, the EUR-USD plunged to the 1.15 support level. A break below 1.15 happened shortly but didn't mean that bearish forces are stronger, with price action so far this year revealing that any EUR-USD slide has ultimately turned into a buying-on-dips opportunity, fact seen in Monday's euro slight rebound. EUR-USD is expected to rebound again and remain moderately bullish, but further upside depends on weaker US data, especially signs of labor market deterioration.

Focus Ahead: 24 – 28 November

MinFin Issues



Data Source: Thomson Reuters

- According to the fixing levels, the Romanian yields experienced slight decreases last week, with the 1Y down by 4bp, the 3Y down by 3bp, while the 5Y remained unchanged and the 10Y rose marginally by 1bp. These changes show a stabilization in Romanian yields after a downward trend visible in the last months. For more than a year Romanian yields have been consistently the highest in the CEE region, until recently, when Hungarian yields rose significantly, taking the “top spot”. This comes as investor confidence grew for Romania as fiscal adjustment and political stability are maintained, while HGB yields jumped as the government prepared for general elections in April.

This week, the Ministry of Finance will issue RON 500mn in 5.5Y T-bonds and RON 300mn in 12.4Y T-bonds on Monday and RON 500mn in 7.7Y T-bonds and RON 500mn in 1Y T-bills on Thursday.

BOND ISSUES - November

ISIN Code	Auction Date	Maturity Date	Months	Planned Amount (mn)	Currency	Total Applications	Total Allocated	Yield (avg)
ROPG9LZUB002	26-Nov-25	27-Jul-33	93	500lei				
ROP6GPAGANP5	26-Nov-25	25-Nov-26	12	500lei				
RO0DU3PR9NF9	24-Nov-25	24-Feb-38	149	300lei				
RO1JS63DR5A5	24-Nov-25	28-Apr-31	66	500lei				
ROYNCLHRHVV6	20-Nov-25	29-Jul-30	57	500lei		1,105	500	6.9
RO677ZOKPGQ8	17-Nov-25	30-Jul-40	179	500lei		578	448	6.9
RO07A2H5YIN8	13-Nov-25	25-Feb-32	77	500lei		1,057	500	6.91
RODFIUK7ZV55	13-Nov-25	25-Apr-35	115	500lei				
ROJVM8ELBDU4	10-Nov-25	25-Apr-29	42	500lei		1,057	500	6.91
ROWLVEJ2A207	10-Nov-25	30-Oct-33	97	500lei		1,443	500	6.78
ROCDG04X8WJ7	6-Nov-25	26-Apr-28	30	500lei		1,100	500	6.76
ROTM7EDD92S2	6-Nov-25	31-Jul-34	106	500lei		478	333	6.68
RO45DLJ4EE76	3-Nov-25	28-Apr-27	18	500lei		1,097	500	6.63
ROOFOYB15203	3-Nov-25	27-Jul-31	70	500lei		1,152	500	6.98

Focus Ahead: 24 – 28 November

Data Calendar – November 2025

Date	Country	Indicator/Event	Period	UniCredit forecast	Consensus	Previous
24.11.2025	GE	Ifo Business Climate Index	Nov	88.8	88.5	88.4
	GE	Ifo business expectations (index)	Nov	92.0	91.0	91.6
	GE	Ifo current assessment (index)	Nov	85.7	85.5	85.3
25.11.2025	RO	Money supply (M3, yoy%)	Oct			7.9
	US	Core PPI (% mom)	Sep	0.3	0.2	-0.1
26.11.2025	US	PCE core inflation (% yoy)	Sep	2.9	2.9	2.9
	US	PCE core inflation (% mom)	Sep	0.3	0.2	0.2
	US	Personal expenditures (% mom)	Sep	0.4	0.4	0.4
	US	Personal income (% mom)	Sep	0.4	0.4	0.4
27.11.2025	EMU	European Commission economic sentiment (index)	Nov		97.1	96.8
28.11.2025	GE	Unemployment rate (%)	Nov	6.3	6.3	6.3
	GE	Consumer price index, CPI (% yoy)	Nov	2.4	2.3	2.3

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	376.2	395.7
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	19,761	20,820
Real economy, change (%)						
GDP	5.5	4.0	2.4	0.8	0.6	1.5
Private Consumption	7.0	5.1	3.0	6.0	1.4	1.7
Fixed Investment	4.0	5.4	14.5	-3.3	2.5	3.4
Public Consumption	-0.6	-1.4	6.3	0.7	-1.8	-0.8
Exports	12.6	9.3	-0.8	-3.1	2.8	4.3
Imports	14.6	9.3	-1.1	3.8	4.7	4.4
Monthly wage, nominal (EUR)	1175	1303	1489	1710	1828	1902
Real wage, change (%)	2.0	-2.2	3.6	9.4	0.8	-1.8
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	-8.4	-6.4
Primary balance	-5.6	-4.3	-4.7	-7.2	-5.7	-3.7
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	-32.9	-32.9
Current account balance/GDP (%)	-7.2	-9.5	-6.6	-8.4	-8.8	-8.3
Extended basic balance/GDP (%)	-1.8	-4.1	-1.9	-5.7	-5.4	-4.7
Net FDI (% of GDP)	3.7	3.3	2.0	1.6	1.7	1.9
Gross foreign debt (% of GDP)	58.8	54.6	56.4	57.5	57.6	59.4
FX reserves (EUR bn)	40.5	46.6	59.8	62.1	66.0	64.8
Months of imports, goods & services	4.3	4.0	5.1	5.1	5.0	4.7
Inflation/Monetary/FX						
CPI (pavg)	5.0	13.7	10.5	5.6	7.3	7.3
CPI (eop)	8.2	16.4	6.6	5.1	9.6	4.5
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	5.50
3M money market rate (Dec avg)	2.83	7.66	6.25	5.91	6.52	5.13
USDRON (eop)	4.37	4.63	4.50	4.78	4.23	4.19
EURRON (eop)	4.95	4.95	4.97	4.97	5.07	5.15
USDRON (pavg)	4.16	4.68	4.57	4.60	4.44	4.21
EURRON (pavg)	4.92	4.93	4.95	4.97	5.04	5.10

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