Macroeconomic and Strategic Analysis

UniCredit Weekly Report

Political uncertainty continues in Romania

27 April 2026

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

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

UniCredit Bank

Weekly briefing

Romanian Economy

- **The volume of construction works increased by 8.7%mom in February 2026** (s.a. data). **In yearly terms**, the total volume of construction works **increased by 15.8%yoy** (gross data) **in February 2026**, returning in positive territory after -3.3%yoy in January 2026 due to seasonal factors.
- **PSD withdraws support for PM Bolojan**: On 20 April, PSD voted overwhelmingly to end its backing of PM Ilie Bolojan and demanded his resignation; Bolojan refused, citing coalition approval of the governing programme.
- **Government crisis triggered**: After failed consultations with President Nicușor Dan, PSD ministers resigned; interim replacements were appointed, and Parliament now enters a 45-day window to reconfirm a governing majority.

European Economy

- **The eurozone composite PMI fell to 48.6 in April from 50.7 in March**, the sharpest drop since November 2024 and surprising to the downside the forecasts [UniCredit: 50; Consensus: 50.1] as the war in the Middle East continues in its second month. **However, the eurozone manufacturing PMI rose to 52.2 in April** from 51.6, marking the strongest reading since May 2022. **The eurozone services PMI dropped to 47.1 in April** from 50.2, reaching a 62-month low
- **Germany's Ifo Business Climate Index declined to 84.4 in April 2026**, down 1.9 points from March and marking its lowest level since May 2020.
- **The ZEW Indicator of Economic Sentiment for the Euro Area dropped sharply by 11.9 points in April 2026**, reaching -20.4, its lowest level since December 2022. Similarly, **Germany's ZEW Economic Sentiment Index plunged 16.7 points** to -17.2 in April 2026

The external calendar for this week includes the **GE GfK consumer confidence** (Monday), **European Commission economic sentiment index**, **GE inflation rate** and **FED interest rate decision** (Tuesday), **GE retail sales**, **EMU inflation rate**, **EMU 1Q GDP growth rate**, **ECB interest rate decision**, **US 1Q GDP growth rate**, **US PCE core inflation** and **US personal consumption and expenditures** (Thursday) and **US ISM Manufacturing index** (Friday). The **Romanian calendar** includes the **Monetary indicators** (Monday), **Unemployment rate for March** (Tuesday) and **Budget deficit figures for 1Q**.

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Data spotlight: 20 – 24 April

CURRENCIES - MAJORS

Currencies	Last	1D ch (%)	1M ch (%)
EURUSD	1.1746	0.22%	1.62%
EURCHF	0.92	0.24%	1.19%
USDJPY	159.21	-0.14%	0.02%
GBPUSD	1.3547	0.11%	1.35%

CURRENCIES - CEE

Currencies	Last	1D ch (%)	1M ch (%)
EURPLN	4.2455	0.05%	-0.71%
EURHUF	364.05	-0.05%	-5.88%
EURCZK	24.37	0.07%	-0.46%

CURRENCIES - NBR REFERENCE

Currencies	EUR	USD	SDR	XAU (1g)
27-Apr	5.0928	0.2619	00 0.0252	1.4571

CURRENCIES - RON

	EURRON	USDRON
27-Apr	5.093	4.337
24-Apr	5.087	4.340
23-Apr	5.093	4.358

FIXED INCOME MARKET YIELDS - LOCAL

Mid-rate	1Y	3Y	5Y	10Y
27-Apr	6.2	6.6	7.0	7.2
24-Apr	6.1	6.6	6.9	7.1
22-Apr	6.1	6.6	6.9	7.1

MONEY MARKET RATES - LOCAL

ROBOR	ON	1M	3M
27-Apr	5.75	5.79	5.89
24-Apr	5.60	5.79	5.89
23-Apr	5.60	5.79	5.89

MONEY MARKET RATES - MAJORS

Euribor	1M	3M	6M
24-Apr	1.97	2.16	2.46
23-Apr	1.97	2.17	2.43
22-Apr	1.94	2.16	2.39
USDSFOR	1M	3M	6M
24-Apr	3.65	3.67	3.79
23-Apr	3.65	3.67	3.79
22-Apr	3.64	3.67	3.80

STOCK MARKETS

Index	Last	1D ch (%)	1M ch (%)
S&P 500	7,165.1	0.80%	9.28%
FTSE	46,139.0	0.01%	0.07%

Romanian Economy

- **The Romanian construction sector increased in February, rebounding after a drop in January**

The volume of construction works increased by 8.7%mom in February 2026 (s.a. data), due to increases in all sectors: residential buildings (+16.9%), non-residential buildings (+10.6%mom) and civil engineering works (+9.2%mom).

In yearly terms, the total volume of construction works increased by 15.8%yoy (gross data) in February 2026, returning in positive territory after -3.3%yoy in January 2026 due to seasonal factors. In February, non-residential buildings were the only ones to show a mild contraction (-0.5%yoy), while residential buildings and civil engineering works increased sharply (+27%yoy and +21.2%yoy, respectively).

We expect the construction sector to continue to grow in 2026 (+8%yoy in 2025), supported by public investment through improved absorption of EU funds.

- **Political uncertainty resurfaces as the Social Democratic Party ceases its support for the current prime minister**

On the evening of 20 April the Social Democratic Party (PSD) decided by an overwhelming majority (97.7%) to withdraw its support for the current prime minister, Ilie Bolojan, leader of the National Liberal Party (PNL), and asked him to resign within three days. PSD warned that, failing a resignation, it would move to force his departure, including by withdrawing its ministers from the

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Data spotlight: 20 – 24 April

Romania Economy (continued)

government or tabling a no-confidence motion. PM Bolojan has rejected calls to step down, arguing that the governing programme was approved by all members of the grand coalition.

Following consultations held on 22 April with President Nicușor Dan, PSD reiterated its position that it no longer supports Bolojan as prime minister, while reaffirming its commitment to honor Romania's international obligations. As no consensus was reached, the PSD ministers submitted their resignations on Thursday and PM Bolojan temporarily reassigned the vacant portfolios to ministers from PNL, USR and UDMR to ensure the government's continuity. President Nicușor Dan signed the resignations and the appointment of interim ministers, and the situation will be referred to the Parliament now, triggering a 45-day period during which the prime minister must seek to reconfirm a parliamentary majority.

President Dan will continue consultations with political parties this week, aiming to preserve a pro-European governing formula and to discuss key projects such as the PNRR and the SAFE mechanism. Political tensions are set to remain elevated in the coming weeks, with risks of a no-confidence motion or a de facto minority government lacking sufficient support to implement meaningful fiscal consolidation.

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Data spotlight: 20 – 24 April

European Economy

- **The eurozone, German and French PMIs declined overall in April**

The eurozone composite PMI fell to 48.6 in April from 50.7 in March, the sharpest drop since November 2024 and surprising to the downside the forecasts [UniCredit: 50; Consensus: 50.1] as the war in the Middle East continues in its second month. The fall in PMIs showcased delayed impact on services from the war, as consumer demand is affected by surging energy prices. Business activity for the services sector deteriorated to the lowest point in the last five years, especially in Germany which is most reliant on imports of energy. On the other hand, the manufacturing sector registered an increase despite the difficulty to source input goods.

The eurozone manufacturing PMI rose to 52.2 in April from 51.6, marking the strongest reading since May 2022 and beating significantly expectations [UniCredit: 51.0; Consensus: 50.9]. With the first increase in export demand since February 2022, new orders grew at the fastest rate in four years, and production growth reached its fastest level since August 2025. Nonetheless, a portion of this expansion resulted from consumers hoarding goods out of concern for price increases and shortages brought on by the Middle East conflict. While input purchases increased at the fastest rate since May 2022, employment in the industry decreased. In the meantime, business confidence dropped to a 17-month low, indicating caution ahead, and inflationary pressures increased.

The eurozone services PMI dropped to 47.4 in April from 50.2, reaching a 62-month low and coming worse than expectations [UniCredit: 49.5; Consensus: 49.8]. Activity softened as new business dropped, while employment showed resilience. Input cost inflation accelerated further.

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

The German composite PMI decreased to 48.3 in April, from 51.9 in the previous month. This marks the first contraction in the country’s private sector since May 2025, and the sharpest decline since end of 2024, as the ongoing war involving Iran disrupted Germany’s brittle economic rebound, dampening demand and pushing prices higher. The downturn was driven by the services sector, which saw its biggest activity decline since late 2022 while manufacturing output growth also slowed.

Moreover, the French composite PMI fell to 47.6 in April, from 48.8 in March. According to the latest data, France's private sector contracted for four straight months, marking the worst decline since October 2025. Manufacturing offered a bright spot, with output rebounding and reporting its strongest growth in more than four years (52.9 vs. 50), while services activity significantly weakened, with the PMI falling to 46.5 from 48.8. In the meantime, employment in the private sector increased slightly, with services leading the way. As input price inflation accelerated to a three-year high, cost pressures persisted. Even though output price inflation increased to its highest level since August 2024, pass-through was kept under control. Due to increased uncertainty and consumer caution, business confidence dropped to its joint-lowest level since July 2025.

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Data spotlight: 20 – 24 April

European Economy (continued)

German Ifo Business Climate Index slipped further in April

Germany's Ifo Business Climate Index declined to 84.4 in April 2026, down 1.9 points from March and marking its lowest level since May 2020. The reading fell short of market expectations of 85.5, signaling a renewed deterioration in business sentiment amid elevated geopolitical uncertainty.

The decline was driven primarily by a sharp drop in expectations, with the Expectations Index falling to 83.3 from 85.9. Growing concerns over the impact of the ongoing Middle East conflict have heightened uncertainty for firms and further undermined confidence in Germany's fragile recovery. The Current Conditions Index also weakened, slipping to 85.4 from 86.7, suggesting a broadening slowdown.

Sentiment deteriorated across all major sectors. Manufacturing edged lower amid weakness in chemicals, services fell sharply with logistics under strain, while trade confidence plunged on fears that inflation will curb consumer spending. Construction sentiment also weakened markedly, underscoring a broad-based loss of momentum in the German economy.

Eurozone and German investor morale (ZEW) deteriorated further in April

The ZEW Indicator of Economic Sentiment for the Euro Area dropped sharply by 11.9 points in April 2026, reaching -20.4, its lowest level since December 2022 and far below market expectations of -3.6. The decline was driven primarily by the intensifying conflict in the Middle East, which continues to pressure prices and disrupt supply chains across Europe. In the April survey, 44% of analysts expected economic conditions to remain unchanged, while 38.2% anticipated a downturn and 17.8% foresaw an improvement. At the same time, the assessment of the current economic situation fell by 13.1 points to -43, and inflation expectations were relatively unchanged at 79.

Germany's ZEW Economic Sentiment Index plunged 16.7 points to -17.2 in April 2026, slightly better than UniCredit's expectations of -20, but at the lowest level since December 2022, reflecting higher pessimism regarding the Middle East conflict. According to ZEW President Prof. Achim Wambach "the Iran war's impact extends beyond rising prices, with fears of long-term energy shortages dampening investment and undermining government stimulus efforts". The current conditions index deteriorated as well, decreasing 10.8 points to -73.7, the lowest level this year and worse than the -65 expected by UniCredit.

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Data spotlight: 20 – 24 April

International and Romanian Markets

- **The EUR-RON was under downward pressure last week**

The EUR-RON traded within the 5.0870-5.0995 range last week and ended Friday's trading session at 5.0970, lower than the 5.0947 level at the closing on 17 April. The announcement of PSD leaving the governing coalition didn't translate into upward movement in the pair as markets are in a wait and see mode, awaiting further political developments. Upward pressure on the exchange rate will increase most likely next week, testing the 5.10 resistance level. We expect increased market volatility, with developments driven by political uncertainty and concerns about possible fiscal slippages.

- **The ROBOR curve was mostly stable last week**

The ROBOR rates were stable last week, with marginal decreases on the short end of the curve. Compared to the previous week (17 April), the ON ROBOR was down by 2bp to 5.68%, the 1W was down by 1bp at 5.72%, while 1M and the 3M remained unchanged at 5.78% and 5.87%, respectively. Even after the announcement by the Social Democratic Party (PSD) of withdrawing support for the prime minister and announcing the resignation of all their minsters, ROBOR rates remained stable, aided by ample excess liquidity in the market (RON 35bn in March).

- **MinFin auctions**

On Monday, the Ministry of Finance held an auction for a 12M T-bond and a 8.3Y T-bond. For the short-term T-bond, the bids exceeded the planned amount, at RON 585.0mn vs. RON 400mn, with MinFin placing RON 400mn. The average accepted yield was 6.34% (max 6.35%). For the other T-bond, the bids also came above the planned amount, at RON 371.5mn vs. RON 300mn, enabling MinFin to place RON 300mn. The average accepted yield was 7.16% (max 7.19%), higher by 95bp from the previous auction.

Last Thursday, the Ministry of Finance held auctions for a 2.8Y T-bond and a 4.3Y T-bond. For the shorter maturity bond, the bids exceeded the planned amount, at RON 610mn vs. RON 400mn, with MinFin placing RON 400mn. The average accepted yield was 6.52% (max 6.52%), 20bp higher than at the beginning of March. For the 4.3Y T- bond, the bids also exceeded the planned amount, at RON 667mn vs. RON 400mn, with MinFin placing RON 400mn. The average accepted yield was 6.80% (max 6.81%), 72bp higher than at the previous auction.

- **FX markets**

The EUR-USD traded between 1.1671 - 1.1791 last week, with a downward bias, ending the week at the 1.1740 level. According to the Investment Institute by UniCredit, EUR-USD fluctuations close to 1.17 indicate that markets are following a purely day-to-day logic at present. Last week's weak preliminary PMI surveys across the eurozone for April dragged the pair below 1.17 but left it above

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Data spotlight: 20 – 24 April

International and Romanian Markets (continued)

the 1.1650 support level. The USD is likely to remain broadly firm for now given the still prevailing risk-averse mode. Yet investors cannot take the risk of being too short EUR-USD if the Middle East picture improves and risk appetite resumes. While US President Donald Trump said that he will determine when the ceasefire ends, 1 May (when the 60-day limit the War Powers Act gives the president to wage war without authorization by US Congress expires) might represent a first deadline. President Trump has four main options, as he can: 1. ask US Congress for approval to continue the war; 2. progressively reduce US participation in the conflict: 3. directly extend the conflict for another 30 days, still without authorization by US Congress (but he can use this facility only once); 4. simply shrug it off and continue the conflict, as many US presidents have done in the past (for example President Barak Obama during the strike against Libya in 2011), although this may limit possible intervention (no troops allowed on the ground, for instance). The last time US Congress authorized an extension of the war beyond 60 days was during the war in Iraq in 2002. **(R. Mialich)**

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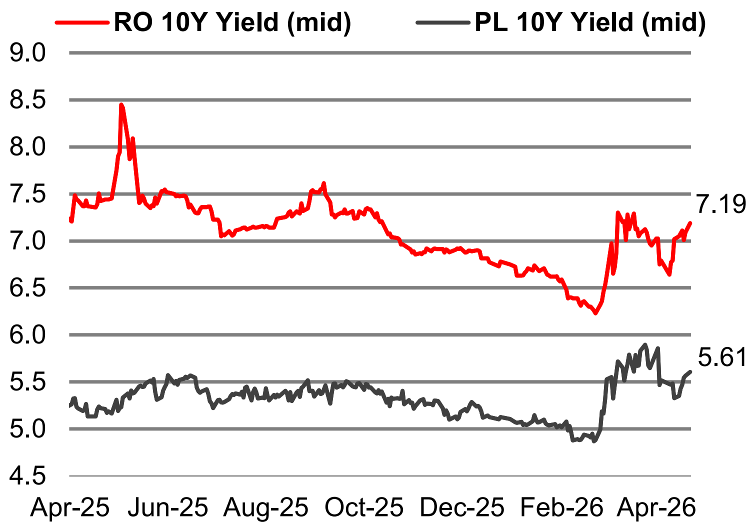
Focus Ahead: 27 April – 1 May

MinFin Issues



Data Source: Refinitiv Workspace

- According to the fixing levels, the Romanian yields decreased on the short end of the curve and increased on the long end last week. Overall, compared to the previous Friday (17 April), the 1Y declined 5bp, the 3Y was down by 6bp, while the 5Y increased by 8bp and the 10Y by 9bp. Political uncertainty translated into higher than usual volatility in the bond market, as investors took a more cautions stance regarding government debt securities prompting yields to rise. However, the upward trend in yields was interrupted by a rally due to better-than-expected 1Q budget deficit print (full details haven't been yet released). Upside risks for Romanian yields persist due to both internal and external uncertainties, especially if a change of government will materialize.
- MinFin will auction RON 300mn in a 12Y T-bond and RON 400mn in a 3.6 Y T-bond on Monday. The calendar for May is not publicly available yet.

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	610	400	6.52
ROYNCLHRHVV6	23-Apr-26	29-Jul-30	52	400	lei	667	400	6.8
RO45DLJ4EE76	20-Apr-26	28-Apr-27	12	400	lei	585	400	6.34
ROTM7EDD92S2	20-Apr-26	31-Jul-34	101	300	lei	372	300	7.16
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: 27 April – 1 May

Data Calendar – April – May 2026

	Country	Indicator/Event	Period	UniCredit forecast	Consensus	Previous
27.04.2026	GE	GfK consumer confidence	May	-27.0	-	-28.0
29.04.2026	EMU	EC Economic sentiment (index)	Apr	95.0	-	96.6
	GE	Consumer price index, CPI (% yoy)	Apr	3.0	-	2.7
	US	FED interest rate decision		3.75	3.75	3.75
30.04.2026	RO	Unemployment rate (%)	Mar	6.0	-	6.0
	GE	Retail sales (real, % mom)	Mar	0.3	-	-0.6
	EMU	GDP growth rate qoq (flash estimated data)	1Q	0.2	-	0.2
	EMU	Consumer price index, CPI (% yoy)	Apr	3.0	-	2.6
	EMU	ECB interest rate decision		2.0	2.0	2.0
	US	Personal income (% mom)	Mar	0.5	-	-0.1
	US	Personal expenditures (% mom)	Mar	0.7	-	0.5
	US	PCE core inflation (% yoy)	Mar	3.2	-	3.0
	US	Real GDP (% qoq, flash estimate)	1Q	2.4	-	0.5
01.05.2026	US	ISM Manufacturing Index	Apr	53.0	-	52.7

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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