

**Macroeconomic and  
Strategic Analysis**

**UniCredit Weekly Report**



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**The fiscal adjustment is ongoing, with a 1Q26 budget  
deficit of only 1% of GDP**

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## Weekly briefing

### Romanian Economy

- **The budget execution for the first three months of 2026 shows a deficit of 1.03% of GDP (RON 21.1bn), less than half of the 2.28% of GDP deficit recorded in the same period of 2025 (RON 43.7bn).** Total revenues increased by +12.3%yoy (+RON 17.4bn), while total expenditure declined by -2.8%yoy (-RON 5.1bn).
- **In yearly terms, the non-governmental loans accelerated their growth further to 7.1%yoy (+6.8%yoy in Feb). The growth of total deposits accelerated to 7.0%yoy (from 6.7% in Feb).**
- **The Romanian unemployment rate rose to 6.1% in March** from 6.0% in February, coming in slightly above our expectations of 6.0%.

### European Economy

- **The Eurozone Economic Sentiment Indicator (ESI) fell to 93.0 in April 2026** from 96.2 in March, marking a third consecutive monthly decline, its lowest level since November 2020.
- **Germany's retail sales fell sharply by 2.0%mom in March 2026**, far worse than expected [UniCredit: +0.3; Consensus: -0.1] and down from February's revised 0.3% decline, marking a third straight monthly contraction and the largest drop since October 2022.
- **Euro area annual inflation (flash estimate) rose to 3.0%yoy in April 2026**, the highest reading since September 2023, up from 2.6%yoy in March and slightly above market expectations [UniCredit: 3%; consensus: 2.9%].
- **Eurozone GDP grew by just 0.1%qoq in Q1 2026**, falling short of the market expectation [UniCredit and consensus: 0.2%] and easing from the 0.2% expansion recorded in the previous quarter.
- As widely expected, **the ECB left rates unchanged at 2% on 30 April.**

### US Economy

- **The Fed kept interest rates unchanged at the end of its two-day meeting on the 29th of April**, as expected, maintaining the target range for the federal funds rate at 3.50-3.75%.
- **US core PCE inflation**, the Federal Reserve's preferred gauge of underlying price pressures, **rose by 0.3%mom in March 2026.** In yearly terms, core inflation which rose to 3.2% from 3%.
- **The US economy grew at an annualized pace of 2.0% in 1Q 2026** according to the advance estimate, accelerating from 0.5% in 4Q25, but falling short of market expectations [UniCredit: 2.4%; Consensus: 2.3%].
- **The US ISM Manufacturing PMI was unchanged at 52.7 in April**, matching its highest level since August 2022 but falling short of expectations for a further uptick.

The external calendar for this week includes the **US ISM services index** and **JOLTs job openings** (Tuesday), **GE factory orders** and **EMU retail sales** (Thursday), **GE Industrial production** and **US non-farm payrolls, unemployment rate, average hourly earnings and Michigan consumer sentiment** (Friday). The **Romanian calendar** includes the **foreign reserves** (Monday), **PPI** (Tuesday) and **retail sales** (Thursday).

## Data spotlight: 27 April – 1 May

### CURRENCIES - MAJORS

Currencies	Last	1D ch (%)	1M ch (%)
EURUSD	1.1718	-0.02%	1.08%
EURCHF	0.92	0.02%	0.03%
USDJPY	156.98	0.07%	-0.93%
GBPUSD	1.3561	-0.12%	1.91%

### CURRENCIES - CEE

Currencies	Last	1D ch (%)	1M ch (%)
EURPLN	4.2540	0.27%	-0.72%
EURHUF	363.00	-0.25%	-5.23%
EURCZK	24.38	0.07%	-0.57%

### CURRENCIES - NBR REFERENCE

Currencies	EUR	USD	SDR	XAU (1g)
4-May	5.1417	0.2621	00 0.0254	1.4816

### CURRENCIES - RON

	EURRON	USD RON
4-May	5.200	4.438
1-May	5.195	4.442
30-Apr	5.195	4.428

### FIXED INCOME MARKET YIELDS - LOCAL

Mid-rate	1Y	3Y	5Y	10Y
4-May	6.2	6.8	7.1	7.3
1-May	-	-	-	-
29-Apr	6.2	6.7	6.9	7.2

### MONEY MARKET RATES - LOCAL

ROBOR	ON	1M	3M
4-May	5.70	5.95	5.85
1-May	5.75	5.89	5.87
30-Apr	5.75	5.89	5.87

### MONEY MARKET RATES - MAJORS

Euribor	1M	3M	6M
1-May	#N/A	#N/A	#N/A
30-Apr	1.98	2.20	2.52
29-Apr	1.97	2.15	2.46
USDSFOR	1M	3M	6M
1-May	3.65	3.67	3.77
30-Apr	3.65	3.67	3.77
29-Apr	3.65	3.67	3.77

### STOCK MARKETS

Index	Last	1D ch (%)	1M ch (%)
S&P 500	7,230.1	0.29%	10.75%
FTSE	46,143.0	0.00%	0.07%
Hang Seng	59,513.1	0.38%	10.74%
Bucharest BET	26,095.9	1.24%	5.43%

## Romanian Economy

### ■ The 1Q26 budget deficit was 1% of GDP, significantly lower than in 1Q25

The budget execution for the first three months of 2026 shows a deficit of 1.03% of GDP (RON 21.1bn), less than half of the 2.28% of GDP deficit recorded in the same period of 2025 (RON 43.7bn). Total revenues increased by +12.3%yoy (+RON 17.4bn), while total expenditure declined by -2.8%yoy (-RON 5.1bn). The highest revenue increases came from fiscal revenue (+RON 11.5bn; +16.5%yoy) mainly driven by income from VAT (+RON 5.06bn; +17.7%yoy), income tax (+RON 2.87bn; +19.0%yoy), and excise taxes (+RON 0.93bn; +9.2%yoy). Profit tax revenues increased as well (+RON 0.34bn; +21.8%yoy), while other taxes on income, profit and capital gains also contributed positively (+RON 180mn; +40.5%yoy). Social insurance contributions rose (+RON 3.48bn; +7.0%yoy). By contrast, non-fiscal revenues declined (-RON 1.53bn; -12.4%yoy). Revenue from EU funds increased (+RON 1.39bn; +20.7%yoy), while revenue from PNRR grants rose sharply (+RON 2.97bn; +149.1%yoy).

Expenditure declined compared to January-March 2025 (-RON 5.13bn; -2.8%yoy) mainly due to lower capital expenditure (-RON 6.55bn; -48.6%yoy), personnel expenses (-RON 1.28bn; -3.0%yoy), subsidies (-RON 352mn; -11.1%yoy), and other expenditure (-RON 2.21bn; -44.5%yoy). In contrast, spending increased for goods and services (+RON 1.29bn; +5.8%yoy) and interest payments (+RON 876mn; +7.0%yoy). Social assistance was broadly stable (-RON 100mn; -0.2%yoy). In line with the

## **Data spotlight: 27 April – 1 May**

### **Romania Economy (continued)**

government's strategy to maximize the absorption of non-reimbursable EU financing, expenditure on projects financed from PNRR grants increased significantly (+RON 3.19bn; +118.4%yoy) and spending on EU-funded projects rose as well (+RON 1.84bn; +23.5%yoy), while spending related to PNRR loans declined (-RON1.57bn; -34.8%yoy).

Romania's fiscal adjustment is progressing well so far, with double-digit growth of revenue, strict control of expenditure and a shift of investment from national funds to EU funds, especially grants. We believe that if the pace of the budget deficit remains similar for the rest of the year, the 6.2% of GDP target is attainable and likely. The current political tensions imply risks of fiscal slippage, but the faster the crisis is resolved the lower the consequences for the economy and for the next decisions of the rating agencies. Regardless of how the future governing coalition will look like, it must continue the fiscal adjustment and respect the key targets for absorbing the available EU funds to preserve the economic stability and investor confidence.

#### ■ **Non-governmental loans and deposits increased in March**

Non-governmental loans increased by 1.1%mom in March 2026, driven by FX lending increasing by 1.1%mom (vs. +1.2%mom in February), followed closely by local currency loans increasing by 1.0%mom (+0.3%mom in February 2026). In yearly terms, the non-governmental loans accelerated their growth further to 7.1%yoy (+6.8%yoy in Feb), as FX loans continued to pick up to 15.1%yoy (from 14.2%yoy in Feb) while RON lending kept its growth pace at 3.7%yoy in March (unchanged from the previous month).

The outstanding loans to households in RON rose by 1.2%mom (vs. +0.5%mom in Feb), while those in FX declined at a faster pace than in the previous month (-1.5%mom vs. -1.3% in Feb). Companies' loans increased by 1.1%mom (+0.8%mom in Feb), as RON loans rose by 0.7%mom and the FX component continued to increase by +1.4%mom (vs. +1.5% mom the previous month). In yearly terms, the lending to individuals remained unchanged at 7.9%yoy in March. Consumer lending continued to grow double-digit at a slightly higher rate than in February (+10.1%yoy vs. +10.0%yoy), while mortgage lending stagnated at 6.4%yoy for the second month in row, after three months of growth stabilizing at 6.5%yoy. The loans to companies rose by +6.5%yoy, continuing their accelerating trend from the previous month, with growth supported by the FX component (+19.3%yoy), while RON lending remained in negative territory (-5.3%yoy).

The residents' savings increased by 0.7%mom (after +0.7%mom in Feb), with RON deposits increasing by 0.6%mom (after +1.3%mom) and FX deposits growing by 0.8%mom (rebounding after -0.5%mom the previous month). Deposits of households increased by 0.2%mom (from +0.9%mom), mainly due to FX savings (+1.2%mom), while companies' deposits increased by 1.4%mom.

In yearly terms, the growth of total deposits accelerated to 7.0%yoy (from 6.7% in Feb). Companies' savings pace picked up to 5.3% in March due to a bigger increase in FX deposits of 11.8%yoy and in RON corporate deposits to 3.2%yoy (vs. 1.7%yoy in Feb). The Individuals' savings slowed their growth

**Data spotlight: 27 April – 1 May****Romania Economy (continued)**

pace to 8.1%yoy (from 8.4%yoy), with the FX component rising by +11.9%yoy and RON deposits by 6.2%yoy.

After a slower start to the year, loan figures recovered and picked up for companies, albeit at a slower pace than at the beginning of 2025, while loans for households stabilized. A similar image can also be seen for deposits, with companies increasing savings and rebounding from the beginning of the year slump, while households' savings slowed down. The latter might be explained by increasing pressure on the financial situation of individuals as prolonged higher inflation than wage growth impacts their purchasing power and ability to save for the future. The acceleration for companies and a slowdown for households could continue as the effects of fiscal consolidation and the Middle East war will linger.

**■ ILO unemployment rose to 6.1% in March**

The Romanian unemployment rate rose to 6.1% in March from 6.0% in February, coming in slightly above our expectations of 6.0%. In annual terms, the jobless rate decreased by 0.1pp vs. March 2026. The active population increased by 13k to 8.15 million in March 2026 compared to the previous month and decreased by 40k people vs. March 2025. Overall, the labor market remains stable.

## **Data spotlight: 27 April – 1 May**

### **European Economy**

#### ■ **ESI continued to deteriorate in April**

The Eurozone Economic Sentiment Indicator (ESI) fell to 93.0 in April 2026 from 96.2 in March, marking a third consecutive monthly decline, its lowest level since November 2020. The drop reflects worsening economic sentiment amid escalating tensions linked to the Iran war.

Confidence weakened across all sectors, led by a sharp fall in consumer sentiment (-20.6 vs. -16.4 in March). Services (0.9 vs. 4.1) and retail sentiment (-9.9 vs. -7.6) also deteriorated notably, while manufacturing (-7.7 vs. -7.0) and construction confidence (-2.4 vs. -2.1) edged lower.

Inflation expectations rose further, with consumer price expectations up 5.6 points to 49.1, the highest since April 2022, and manufacturers' selling price expectations jumping 10.2 points to a more than three-year high of 31.1.

Among major economies, sentiment declined sharply in Germany (-3.9), France (-3.0), Italy (-2.8) and the Netherlands (-2.5), while Spain recorded a more modest decline (-0.9).

#### ■ **Eurozone economy expanded slightly in 1Q2026, by 0.1%qoq**

Eurozone GDP grew by just 0.1%qoq in Q1 2026, falling short of the market expectation [UniCredit and consensus: 0.2%] and easing from the 0.2% expansion recorded in the previous quarter. The outcome underscored the drag from tight energy supplies across the bloc's major economies, following the outbreak of the war in the Middle East that disrupted flows of oil, refined products, and liquefied natural gas. Rising inflation risks stemming from supply shortages prompted ECB policymakers to contemplate rate increases this year, while several large member states revised their growth outlooks lower. In France, GDP forecasts were cut and 1Q output unexpectedly stagnated (0%qoq) after growing by 0.2% in 4Q25. Among the biggest economies in the European Union, increases were seen for Germany (+0.3%qoq), Italy (+0.2%qoq), Spain (+0.6%qoq). Among CEE countries that have published GDP numbers Czechia registered an 0.2%qoq increase and Hungary an 0.8%qoq rise.

#### ■ **Eurozone headline inflation climbed to 3% in April**

Euro area annual inflation (flash estimate) rose to 3.0%yoy in April 2026, the highest reading since September 2023, up from 2.6%yoy in March and slightly above market expectations [UniCredit: 3%; consensus: 2.9%].

Price dynamics were once again driven by energy, where inflation surged to 10.9%yoy, the strongest increase since February 2023, as the ongoing conflict in the Middle East pushed up oil and gas prices. Price pressures also firmed in other categories, with non-energy industrial goods inflation rising to 0.8%yoy from 0.5%yoy in March, while food, alcohol and tobacco inflation edged up to 2.5%yoy from 2.4%yoy. By contrast, services inflation moderated to 3.0%yoy, down from 3.2%yoy in the previous month.

## **Data spotlight: 27 April – 1 May**

### **European Economy (continued)**

Core inflation, excluding energy, food, alcohol and tobacco, eased further to 2.2%yoy from 2.3%yoy, slightly missing expectations [UniCredit: 2.1; consensus: 2.3] signalling continued disinflationary momentum in underlying price pressures despite the renewed energy shock.

Among the euro area's largest economies, HICP inflation accelerated across the board, rising in Germany (2.9% vs. 2.8%), France (2.5% vs. 2.0%), Italy (2.9% vs. 1.6%), and Spain (3.5% vs. 2.4%), underscoring the broad-based impact of higher energy costs on national inflation dynamics.

#### ■ **German retail sales fell in March**

Germany's retail sales fell sharply by 2.0%mom in March 2026, far worse than expected [UniCredit: +0.3; Consensus: -0.1] and down from February's revised 0.3% decline, marking a third straight monthly contraction and the largest drop since October 2022. The weakness was driven by a 2.7%mom fall in food sales, with non-food sales also down 1.0%, reflecting worsening consumer sentiment amid heightened geopolitical uncertainty.

By contrast, online and mail-order trade rose 3.0%mom, offering a rare bright spot. On an annual basis, retail sales contracted 2.0%yoy, in contrast to February's revised 0.9%yoy gain and underscoring a marked deterioration in consumer demand entering spring 2026.

#### ■ **The ECB left policy rates untouched in April, but indicated that rate hikes are on the way\***

As widely expected, the ECB left rates unchanged on 30 April. However, several signals suggest that hikes are in the pipeline, as highlighted by The Investment Institute by UniCredit:

1. The GC noted that "upside risks to inflation and downside risks to growth have intensified." Given the ECB's price-stability mandate, this carries a clear hawkish tone;
2. The ECB stated that "the longer the war continues and the longer energy prices remain high, the stronger the likely impact on broader inflation and the economy." In other words, the longer the Strait of Hormuz remains closed and disruptions to energy infrastructure persist, the higher the risk of second-round effects – and thus rate hikes;
3. Asked about rate increases, ECB President Lagarde said "directionally, we know where we are heading";
4. The GC did discuss a potential rate increase in April but opted to wait for more information, notably the updated macroeconomic projections in June to shed light on the new baseline scenario and the risks around it. The Investment Institute by UniCredit believes that April's unanimous decision to hold rates paves the way for a unanimous hike in June, unless geopolitical tensions and energy prices ease very rapidly in the coming weeks.

**Data spotlight: 27 April – 1 May****European Economy (continued)**

With rate increases nearing, the key question is how fast the ECB will tighten and where rates will peak. The answer will depend critically on the evolution of the war, energy prices, and supply constraints, but Lagarde seemed to point to a measured tightening. Three factors are key, all explicitly mentioned at the press conference:

- A favourable starting point, as eurozone inflation was at target before the war, with well-anchored expectations and resilient economic growth. This buys the ECB time;
- Financial conditions have already tightened since the war began, reducing pressure on the ECB to act quickly. The rise in long-term yields is particularly noteworthy, as it has materially contributed to the tightening already in place;
- Limited evidence of second-round effects in wages. The ECB's wage tracker and survey data still point to easing labour cost pressures, reducing the risk of broader spillovers from higher energy prices to non-energy goods and services.

In The Investment Institute by UniCredit's baseline scenario, energy prices start declining gradually in the summer and eurozone inflation averages around 3.5% in 2H26, with the economy skirting recession and the labour market avoiding a downturn. The ECB hikes in June and September by a cumulative 50bp, bringing the deposit rate to the upper end of a plausible neutral range. From the GC's perspective, moderate rate increases would anchor inflation expectations and prevent material second-round effects, while limiting damage to activity and employment.

However, risks are asymmetric and skewed toward higher rates. If severe energy-supply disruptions last significantly longer than expected, the inflation shock would be larger and more persistent, worsening the ECB's trade-off. Unless the economy tanks, the ECB's reaction function would likely imply rates moving into restrictive territory (around 3% or higher). Conversely, a swift end to the war and rapid de-escalation could limit the inflation overshoot. In that case, the ECB would probably still hike in June, but the move might be one-off. As the positive scenario appears less likely than the adverse one, current market pricing of 75bp of hikes by year-end does not seem far-fetched.

*Note: \* Based on the views included in the "ECB Review - Rate hikes on the way" of the Investment Institute by UniCredit from 30 April 2026*

## **Data spotlight: 27 April – 1 May**

### **US Economy**

#### **■ The Fed kept interest rates unchanged for the third consecutive month\*\***

The Fed kept interest rates unchanged at the end of its two-day meeting on the 29th of April, as expected, maintaining the target range for the federal funds rate at 3.50-3.75%. There were two main takeaways from the meeting, both of which will contribute to making it almost impossible for incoming Fed chair Kevin Warsh to push for rate cuts in the near term.

First, a deeper split has opened on the FOMC. While Stephen Miran (former economic advisor to President Donald Trump and soon to be replaced on the Fed board by Warsh) repeated his dissent in favour of a 25bp cut, three FOMC members (Beth Hammack, Neel Kashkari and Lorie Logan), who voted to leave rates unchanged, dissented against maintaining an easing bias in the post-meeting statement. For these three members, it was no longer the case that the next move in rates was more likely to be down than up. The statement now characterised inflation as "elevated" instead of "somewhat elevated", adding "in part reflecting the recent increase in global energy prices".

Second, this was Chair Powell's last Fed meeting as chair, as his term expires on 15 May. The Senate Banking Committee approved Kevin Warsh's nomination to Fed chair (paving the way for a vote in the full Senate to confirm him, which looks certain to be wrapped up in time for Warsh to be at the helm by the Fed's next meeting in June). The big question for Powell was whether he will stay on as a governor or not (his term as governor does not expire until January 2028). In a break from tradition, Powell said he will continue to serve as a governor "for a period of time to be determined". His reason for staying on the board is, he said, to defend against "a series of legal attacks on the Fed, which threaten our ability to conduct monetary policy without considering political factors". He said he would not leave the board until the criminal investigation into him is "well and truly over". In the prior week, the US Department of Justice said it would suspend a criminal investigation into Powell's testimony to congress on Fed building work overruns. But Powell said he would stay on as a governor until the threats were fully and transparently resolved.

In the base case of the Investment Institute by UniCredit the Fed will cut rates once at the end of this year, as upward effects on inflation from tariffs and energy prices start to fade, opening the door for Warsh to partly deliver on Trump's demand for lower rates. Risks are skewed towards no cuts. The economy does not need lower rates, and the Investment Institute by UniCredit estimates that the neutral nominal federal funds rate is around 3.5%.

*Note: \*\* Based on the views included in the "Fed Review - Rates and Powell to stay" of the Investment Institute by UniCredit from 29 April 2026*

## **Data spotlight: 27 April – 1 May**

### **US Economy (continued)**

#### **■ US core PCE inflation rose in March**

US core PCE inflation, the Federal Reserve's preferred gauge of underlying price pressures, rose by 0.3%mom in March 2026, following a 0.4% increase in February. On a year-on-year basis, PCE inflation surged to 3.5%yoy from 2.8%yoy, followed by core inflation which rose to 3.2% from 3%. The jump was driven mostly by gasoline and other energy goods.

US personal income rose 0.6%mom in March, marking the strongest gain since July 2025 after stagnation in February. The increase was driven mainly by higher compensation, alongside gains in farm income, dividends, and government social benefits. Disposable income also climbed 0.6%. US personal spending rose 0.9%mom in March, accelerating from February. The increase was driven mainly by stronger goods spending, especially energy and autos.

#### **■ US real GDP expanded in 1Q26**

The US economy grew at an annualized pace of 2.0% in 1Q 2026, accelerating from 0.5% in 4Q25, but falling short of market expectations [UniCredit: 2.4%; Consensus: 2.3%], according to the advance estimate. Government spending rebounded strongly (+4.4%) after a sharp contraction in the previous quarter, reflecting the resumption of activity following the government shutdown. Gross private domestic investment rose 8.7%, led by a 10.4% surge in business investment, the fastest pace in nearly three years, partly driven by robust AI-related spending. Consumer spending slowed to 1.6%, with growth supported mainly by services demand. Net exports weighed on growth, as imports (+21.4%yoy) outpaced solid export gains (+12.9%yoy).

#### **■ US ISM Manufacturing steady but internal momentum softened in April**

The US ISM Manufacturing PMI was unchanged at 52.7 in April, matching its highest level since August 2022 but falling short of expectations for a further uptick. While the headline points to continued expansion, underlying dynamics were mixed.

New orders improved (54.1 vs. 53.5), signalling resilient demand, and supplier deliveries lengthened further (60.6 vs. 58.9). By contrast, production growth slowed (53.4 vs. 55.1), while employment fell sharply to 46.4, the weakest in four months, highlighting ongoing labour caution.

Price pressures surged to the fastest pace since late 2021, driven by higher oil and diesel costs linked to the Iran war, reinforcing inflationary risks. Survey sentiment remained skewed negative, with 69% of comments negative and nearly half explicitly referencing the conflict, alongside continued tariff concerns.

Overall, April's data confirm ongoing expansion but reveal a weakening internal mix, with rising costs, slowing output, and geopolitical uncertainty posing near-term headwinds.

## **Data spotlight: 27 April – 1 May**

### **International and Romanian Markets**

#### ■ **The EUR-RON breached the 5.10 resistance level, trading around 5.20**

The EUR-RON traded within the 5.0871-5.2123 range last week and ended Thursday's trading session at 5.1950, significantly higher than last Friday's closing price of 5.0870. The RON depreciated by almost 2% against the EUR, marking the first significant movement since May 2025, when the currency depreciated by more than 2.5%. While we expected with the shift to the 5.10-5.20 trading range to happen in the second half of 2026, upward pressures amid political uncertainty resurfacing caused the pair to move earlier. We expect volatility to persist this week in light of the vote on the no confidence motion on 5 May. 5.20 will most likely become the new resistance level for now, although we cannot rule out a temporary overshooting. We believe that a return below 5.10 is highly unlikely.

#### ■ **The ROBOR curve rose slightly last week**

The ROBOR rates rose slightly on the short end of the curve last week. Compared to the previous week (24 April), the ON ROBOR was up by 4bp to 5.72%, the 1W was up by 1bp at 5.73%, the 1M up by 1bp to 5.79% while the 3M decreased by 1bp to 5.86%. The effects of the resurfaced political uncertainty haven't yet spilled over into ROBOR rates, which, for the moment, are aided by ample excess liquidity in the market (RON 35bn in March).

#### ■ **MinFin auctions**

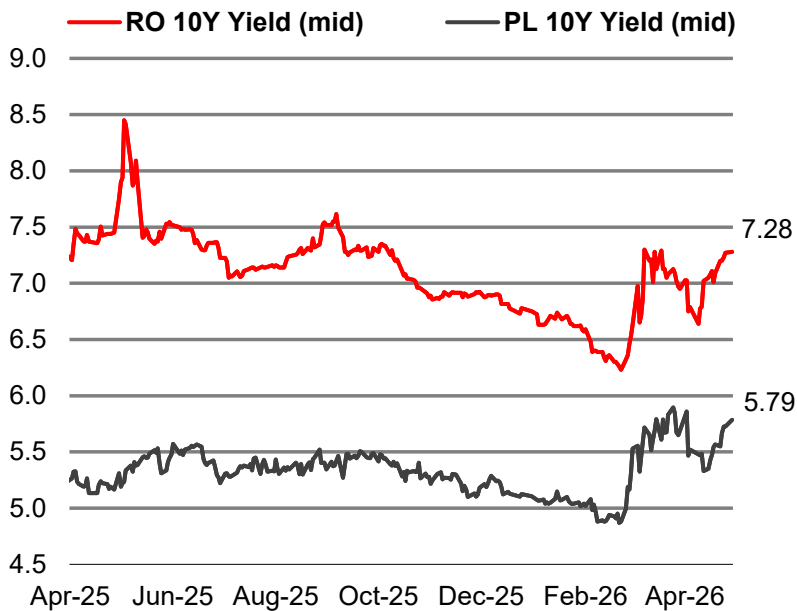
On Monday, the Ministry of Finance held an auction for a 127 T-bond and a 3.6Y T-bond. For the short-term T-bond, the bids exceeded slightly the planned amount, at RON 418.0mn vs. RON 400mn, with MinFin placing RON 363mn. The average accepted yield was 6.77% (max 6.80%), 66bp higher than the previous successful opening of this ISIN in February. For the other T-bond, the bids came below the planned amount, at RON 256.0mn vs. RON 400mn, with MinFin deciding not to place anything.

#### ■ **FX markets**

The EUR-USD traded between 1.1654 - 1.1785 last week, with a slight upward bias, ending the week at the 1.1720 level. The pair remained volatile as no clear signals related to the state of the war are coming from the Trump administration. This mixed messaging landscape alongside the continuation of the US blockade of the Iran restricted Strait of Hormuz, is buying time for the US administration to decide whether to restart military strikes or to de-escalate and come to a less favorable agreement with the Iranian side.

## Focus Ahead: 4 – 8 May

### MinFin Issues



Data Source: Refinitiv Workspace

- According to the fixing levels, the Romanian yields jumped along the curve last week. Overall, compared to the previous Friday (24 April), the 1Y rose by 9bp, the 3Y jumped by 32bp, the 5Y increased by 14bp and the 10Y by 22bp. Against a challenging local political backdrop, bonds experienced a particularly volatile week. Besides the turmoil in the local political landscape and the continuation of the Iran war, the sharp RON depreciation introduced an additional risk factor, particularly for international investors, compounded by the lack of clarity around the new EUR-RON trading range. However, investors are looking through the current political crisis incentivized by the fact Romanian yields continue to be the highest in the CEE region. Upside risks for Romanian yields persist due to further internal uncertainties, especially if a change of government will materialize.
- MinFin will auction RON 500mn in a 5.3Y T-bond on Monday and RON 500mn in a 12M T-bill. The May issuance plan amounts RON 4.6bn, similar to April's reduced issuance.

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	400lei		418	363	6.77
RO0DU3PR9NF9	27-Apr-26	24-Feb-38	144	300lei		256	0	
ROVRZSEM43E4	23-Apr-26	12-Feb-29	34	400lei		610	400	6.52
ROYNCLHRHV6	23-Apr-26	29-Jul-30	52	400lei		667	400	6.8
RO45DLJ4EE76	20-Apr-26	28-Apr-27	12	400lei		585	400	6.34
ROTM7EDD92S2	20-Apr-26	31-Jul-34	101	300lei		372	300	7.16
ROPG9LZUB0O2	16-Apr-26	27-Jul-33	89	300lei		507	300	6.81
RODFIUK7ZV55	6-Apr-26	25-Apr-35	110	300lei		467	376	6.94
ROOSUF7LMDT5	6-Apr-26	30-Sep-26	6	400lei		902	498	6.13
ROOFOYB15203	2-Apr-26	27-Jul-31	65	300lei		917	325	7.01
ROS5LXEE9K46	2-Apr-26	31-Mar-27	12	400lei		1,052	396	6.37

## Focus Ahead: 4 – 8 May

## Data Calendar – May 2026

BOND ISSUES - May								
ISIN Code	Auction Date	Maturity Date	Months	Planned Amount (mn)	Currency	Total Applications	Total Allocated	Yield (avg)
RON4D08H94V4	28-May-26	29-Oct-29	42	400lei				
RO0DU3PR9NF9	28-May-26	24-Feb-38	143	300lei				
ROWLVEJ2A207	25-May-26	30-Oct-33	91	400lei				
ROCDG04X8WJ7	21-May-26	26-Apr-28	24	400lei				
RODFIUK7ZV55	21-May-26	25-Apr-35	109	400lei				
ROTM7EDD92S2	18-May-26	31-Jul-34	100	400lei				
ROQNDCF89GE6	14-May-26	23-Nov-26	6	500lei				
ROYNCLHRHV6	14-May-26	29-Jul-30	51	400lei				
ROPG9LZUB0O2	11-May-26	27-Jul-33	88	400lei				
ROG0T8PGU181	7-May-26	10-May-27	12	500lei				
ROOFOYB15203	4-May-26	27-Jul-31	64	500lei				

	Country	Indicator/Event	Period	UniCredit forecast	Consensus	Previous
04.05.2026	RO	International reserves (EUR mn)	Apr	79.5	-	80.3
05.05.2026	RO	Industrial production prices index (PPI, % mom)	Mar	7.5	-	-0.3
	US	ISM Services Index	Apr	53.5	53.9	54.0
	US	JOLTS, job openings (thousands)	Mar	7100	6700	6882
07.05.2026	GE	Factory orders (% mom)	Mar	0.3	-	0.9
	RO	Retail sales (% yoy)	Mar	-5.4	-	-6.2
	EMU	Retail sales (% yoy)	Mar	-	-	1.7
08.05.2026	US	Average hourly earnings (% mom)	Apr	0.3	0.3	0.2
	US	Unemployment rate (%)	Apr	4.3	4.3	4.3
	US	Nonfarm payrolls (change thousands mom)	Apr	60.0	63.0	178.0
	US	University of Michigan consumer confidence	May	19.0	-	49.8
	GE	Industrial production (% mom)	Mar	0.2	-	-0.3

Data Source: Bloomberg

## Economic Forecasts

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

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