**Macroeconomic and Strategic Analysis**

**UniCredit Weekly Report**

# The Romanian annual inflation accelerated to 5.7% in June

14 July, 2025

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

**Iulia CORLANESCU**
Macroeconomic Economist
iulia.corlanescu@unicredit.ro
+40 724 052 840

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

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## *Weekly briefing*

In US, the **FOMC minutes for the 17-18 July Fed meeting showed that the decision to hold funds rate at 4.25%-4.50% was unanimous as the economic activity continued to grow at a solid pace and inflation remained somewhat elevated at 2.6%yoy in May.** The FOMC acknowledged **that uncertainty around the outlook had diminished**, particularly following a pullback in expected tariff levels, though geopolitical risks and trade tensions require further caution. **The current Fed's stance is modestly restrictive, providing room to adjust policy in either direction pending on forthcoming developments.**

The **eurozone retail sales decreased by 0.7%mom in May**, following a 0.3%mom rise in April. **Industrial production in Germany rose by 1.2%mom in May**, after -1.6%mom decrease in April. **German annual inflation was confirmed at 2.0% in June,** coming down from 2.1% in the previous two months. This is the lowest level since October 2024.

In **Romania**, the **annual headline and core inflation accelerated to 5.7% in June**. **The monthly advance of headline by 0.45% was broad based,** the prices rising by +0.5%mom for food, +0.4%mom for services and +0.4%mom for non-food products. **We see the annual headline inflation increasing at around 7.6% at the end of 2025, following to enter the targeted interval only in the second half of 2026.** Considering the persistent fiscal uncertainty and the overshooting inflation, **we see a high probability that the key rate cuts will be postponed to 2026**, unless the economy begins to significantly underperform. At its meeting on 8th of July, **the NBR maintained the key rate at 6.50%,** as anticipated. **This decision came in a context of rising inflation in the short term** and of the ongoing risks and uncertainties in the broader economic environment. The **decision reflects NBR's desire to avoid adding stress to the economy, while closely monitoring the developments.** The NIS released **the second estimate for GDP growth in 1Q 2025, showing no difference from its first estimate a month ago. GDP** increased by +0.3%yoy in gross terms and +0.6%yoy in seasonally adjusted terms against 1Q 2024. **On a monthly basis, retail sales decreased by 0.5%mom s.a.** (vs. +0.4%mom in April). The **annual growth of retail sales increased to 2.5%yoy** in May (gross data). **The trade deficit was EUR 2.73bn in May**, below our expectations [UniCredit: 3.1], **higher by 8.4%yoy** (+EUR 0.25bn) **as exports increased by 10.6%yoy and imports by 5.0%yoy**.

This week's calendar is lighter, with the **eurozone industrial production for May, eurozone and German ZEW Economic Sentiment for July, US CPI and Core inflation** (Tuesday), **US PPI** (Wednesday), **June eurozone final inflation rate, US retail sales and German PPI** (Thursday) and **July US Michigan consumer sentiment** (Friday). In **Romania,** the calendar includes the **May current account data** (Monday) **and industrial production** (Tuesday).

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# Data spotlight: 07 – 11 July

| CURRENCIES - MAJORS | | | |
|---|---|---|---|
| Currencies | Last | 1D ch (%) | 1M ch (%) |
| EURUSD | 1.1685 | 0.00% | 1.74% |
| EURCHF | 0.93 | -0.38% | -0.31% |
| USDJPY | 147.25 | -0.07% | 1.85% |
| GBPUSD | 1.3476 | -0.10% | -0.45% |

| CURRENCIES - CEE | | | |
|---|---|---|---|
| Currencies | Last | 1D ch (%) | 1M ch (%) |
| EURPLN | 4.2585 | -0.15% | 0.19% |
| EURHUF | 399.90 | -0.09% | 0.00% |
| EURCZK | 24.68 | -0.02% | -0.36% |

| CURRENCIES - NBR REFERENCE | | | | |
|---|---|---|---|---|
| Currencies | EUR | USD | SDR | XAU (1g) |
| 14-Jul | 5.0810 | 4.3461 | 1.3024 | 0.5537 |

| CURRENCIES - RON | | |
|---|---|---|
| | EURRON | USDRON |
| 14-Jul | 5.078 | 4.347 |
| 11-Jul | 5.080 | 4.345 |
| 10-Jul | 5.071 | 4.335 |

| FIXED INCOME MARKET YIELDS - LOCAL | | | | |
|---|---|---|---|---|
| Mid-rate | 1Y | 3Y | 5Y | 10Y |
| 14-Jul | 6.9 | 7.2 | 7.4 | 7.1 |
| 11-Jul | 6.5 | 7.2 | 7.4 | 7.1 |
| 9-Jul | 6.8 | 7.2 | 7.4 | 7.1 |

| MONEY MARKET RATES - LOCAL | | | |
|---|---|---|---|
| ROBOR | ON | 1M | 3M |
| 14-Jul | 5.75 | 6.45 | 6.75 |
| 11-Jul | 5.75 | 6.45 | 6.75 |
| 10-Jul | 5.75 | 6.45 | 6.75 |

| MONEY MARKET RATES - MAJORS | | | |
|---|---|---|---|
| Euribor | 1M | 3M | 6M |
| 11-Jul | 1.91 | 2.03 | 2.07 |
| 10-Jul | 1.93 | 2.00 | 2.07 |
| 9-Jul | 1.93 | 1.97 | 2.05 |
| USDSFOR | 1M | 3M | 6M |
| 11-Jul | 4.34 | 4.34 | 4.37 |
| 10-Jul | 4.34 | 4.34 | 4.37 |
| 9-Jul | 4.34 | 4.34 | 4.37 |

| STOCK MARKETS | | | |
|---|---|---|---|
| Index | Last | 1D ch (%) | 1M ch (%) |
| S&P 500 | 6,259.8 | -0.33% | 4.23% |
| FTSE | 45,852.0 | 0.01% | 0.07% |
| Hang Seng | 39,459.6 | -0.28% | 4.30% |
| Bucharest BET | 24,203.3 | 0.26% | 0.70% |

## Romanian Economy

### The annual headline and core inflation accelerated to 5.7% in June

The headline inflation accelerated to 5.7%yoy in June (vs. 5.45% in May), slightly above our expectations [UniCredit: 5.6%], with core inflation rising at 5.7%yoy from 5.4% in May. The monthly advance of 0.45% was broad based, the prices rising by +0.5%mom for food, +0.4%mom for services and +0.4%mom for non-food products. In food category, the highest pressure came from volatile prices, especially fresh fruits (+10.8%mom). Some mild price rises were for cocoa and coffee (+2.1%mom), sugar products (+1.5%mom), meat products (+0.5%mom) and bread products (+0.5%mom). In non-food category, the highest rises were for chemicals (+0.7%mom), footwear (+0.6%mom) and clothing (+0.5%mom). Fuel prices rose by 1.2%mom, while some prices declined, such as for electricity (-0.6%mom) and gas (-1.3%mom). The highest rise in services prices came from other services like payments for accommodation in hotels (+1.2%mom), other industrial-type services (+1.1%mom), car and electronic repairs (+0.9%mom) and hygiene and cosmetics (+0.9%mom).

Our current estimate places the headline inflation at around 7.6%yoy at the end of 2025 and 3.5%yoy at the end of 2026. We continue to see upside risks to our inflation forecast: new or increased taxes affecting directly or indirectly consumer prices, excise taxes, persistent upward pressure on food prices, the liberalization of electricity prices as of July 2025, supply-side global shocks.

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# Data spotlight: 07 – 11 July

**Romanian Economy (continued)**

Considering the persistent fiscal uncertainty and the overshooting inflation, we see a high probability that key rate cuts will be postponed to 2026, unless the economy begins to significantly underperform.

- **The NBR kept the monetary policy rate at 6.50% in July 2025**

At its meeting on 8th of July, the NBR maintained the key rate at 6.50%, as anticipated. The credit facility rate remained at 7.50% and depo facility rate at 5.50%. The NBR kept the existing levels of minimum reserves for both RON and FX liabilities of credit institutions.

This decision came in a context of rising inflation in the short term and of the ongoing risks and uncertainties in the broader economic environment. The NBR Board's primary goal is to ensure price stability and support sustainable economic growth, and their current stance reflects a careful balance between combating inflation while not damaging the already weak economic activity.

Recent data highlight a renewed pick-up in inflation, with the annual rate rising to 5.45% in May 2025 from 4.85% in April. The uptick was mainly driven by food and energy price increases, despite moderation in other components such as fuel and tobacco. Core inflation (CORE2) also rose, influenced by higher agricultural prices, rising wages, and a weaker leu against the euro. While inflation is expected to accelerate further in the coming months, partly due to the expiry of electricity price caps and higher VAT and excise duties taking effect in August, the NBR anticipates that the medium-term outlook will be tempered by upcoming fiscal tightening, which should reduce demand and support a correction in the current account deficit.

The NBR also mentioned that the economic activity has stagnated, with GDP growth falling to just 0.3%yoy in Q1 2025. Although the investment has rebounded, the household consumption has slowed and the net exports have exerted a stronger drag, widening trade and current account deficits.

Labour market signals are mixed: while the unemployment rate has come down from its Q1 peak, overall employment has declined and wage pressures remain strong, particularly in industry where the unit labour costs have surged.

Against this backdrop, the NBR recognizes considerable uncertainty stemming from both domestic and external sources, including ongoing geopolitical tensions, global trade policy risks, and the need for further fiscal adjustments. The central bank underscores the importance of a balanced policy mix, continued structural reforms, and effective use of EU funds to underpin economic resilience.

The decision to maintain the current monetary policy stance reflects NBR's desire to avoid adding stress to the economy while closely monitoring the developments and remaining ready to act as needed to ensure the financial and price stability.

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# Data spotlight: 07 – 11 July

**Romanian Economy (continued)**

## 1Q 2025 economic growth unchanged from first release a month ago

The NIS released the second estimate for GDP growth in 1Q 2025, showing no difference in comparison to the first estimate a month ago, increasing +0.3%yoy in gross terms and +0.6%yoy in seasonally adjusted terms against the same quarter of 2024.

On the supply side, the largest positive contributors GDP growth were: net taxes (+0.6pp, up from 0.3pp estimated previously), construction (+0.4pp), and Public administration, defense, health & social assistance, IT&C and Real estate activities (+0.1pp each), while the other sectors had a zero or negative contribution. The sectors which subtracted from growth were industry (-0.5pp), wholesale and retail trade (-0.2pp) and professional, scientific and technical activities (-0.2pp).

On the demand side, the main contribution came from the total consumption (revised down to +0.5pp from +2.5pp previously) almost fully driven by the private consumption (+1.1pp vs. +1.3pp previously), supported by the lower inflation and the still high nominal wage growth, while the contribution of the public consumption was negative (-0.6pp vs. +1.2pp previously). At the same time, the gross fixed capital formation had a higher positive contribution to GDP growth, of +1.1pp (vs. +0.9pp estimated previously). The net exports' negative contribution decreased to -2.8pp (vs. -4.1pp previously), as the exports added to growth (+0.9pp vs -0.3pp) and imports changed marginally in this final estimate (+3.8pp vs. +3.7pp).

We revised downwards our forecast for GDP growth to 1.0% in 2025 from 1.9% expected at the begining of the year. We are likely to see a slowdown in consumption, while investment could grow in case of a higher EU funds absorption. The 2026 growth was revised to 1.8% from 2.1%. Growth expectations decreased for most of the major economies, but Romania will have one of the lowest growth rates in CEE region, with EU-CEE GDP expected to rise by 2.2% in 2025 and 2.5% in 2026.

## Romanian retail sales decreased slightly in May

On a monthly basis, retail sales (seasonally adjusted) decreased by -0.5%mom (vs. +0.4%mom in April). The sales decreased for automotive fuels in specialized stores (-1.1%mom) and for non-food products (-0.2%mom), while increased for food, beverages and tobacco (+0.5%mom).

The annual growth of retail sales increased to 2.7%yoy in May (s.a. data), higher than our expectations [UniCredit: 1.4%], slowing down from 2.8%yoy in April. There was a relative stability of the retail sales during the past months, but as the real wage growth is expected to further decelerate and the fiscal consolidation measures will enter into force, consumer spending power will be affected leading to a slowdown in retail sales over the course of 2025, after a strong +8.6%yoy in 2024 overall. Thus, we expect the 2025 dynamic to remain in positive territory, but to not surpass the +3.5%yoy growth visible in the first five months of the year. The retail sentiment indicators for June worsened, reflecting growing consumer pessimism and economic uncertainty.

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# Data spotlight: 07 – 11 July

**Romanian Economy (continued)**

- **The Romanian trade deficit was EUR 2.7bn in May 2025**

The trade deficit was EUR 2.73bn in May, below our expectations [UniCredit: 3.1], higher by 8.4%yoy (+EUR 0.25bn) as exports increased by 10.6%yoy and imports by 5.0%yoy. During the first five months of 2025, the exports increased by 2.5%yoy and the imports by 5.8%yoy.

Import categories rose, with the largest increases in volumes for chemicals and related products (+9.3%yoy, +EUR 678mn), followed by machinery and transport equipment (+3.5%yoy, +EUR 653mn), mineral fuels and lubricants (+17.6%yoy, +EUR 642mn), miscellaneous manufactured articles (+5.8%yoy, +EUR 342mn), manufactured goods (raw materials) (+3.1%yoy, +EUR 273mn), food and live animals (+4.8%yoy, +EUR 242mn). The only exception from imports that declined was raw, inedible materials, excluding fuel, dropping by 0.9%yoy. On the exports' side, the largest increase in volumes was seen for mineral fuels, lubricants and related minerals (+40.9%yoy, +EUR 685mn), machinery and transport equipment (+2.4%yoy, +EUR 389mn), food and live animals (+3.2%yoy, +EUR 118mn), beverages and tobacco (+11.5%yoy, +EUR 101mn). The largest decline by volume for manufactured goods (raw materials) (-5.5%yoy, - EUR 363mn), miscellaneous manufactured articles (-1.5%yoy, - EUR 73mn) and animal and vegetable oils, fats, waxes (-41.8%yoy, -EUR 63mn).

Around 73.3% of the trade activity was with the European Union. We expect a slightly narrower trade deficit in 2025 vs. 2024, with imports slowing down due to the weaker consumption, although exports will continue to be affected by the still weak external demand and the potential effects of the trade war on the EU economy.

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# Data spotlight: 07 – 11 July

**European Economy**

## Eurozone retail sales decreased in May

Eurozone retail sales decreased by 0.7%mom in May, following an upwardly revised 0.3%mom rise in April. Automotive fuel sales had the largest decrease (-1.3%mom), followed by sales of food, drinks and tobacco items (-0.7%mom) and non-food products (-0.6%mom). Among the largest eurozone economies, retail sales grew slightly in Spain (+0.2%mom) and declined in Italy (-0.4%), France (-0.2%mom) and Germany (-1.7%mom). On an annual basis, retail trade growth dropped to 1.8% in May vs. 2.7%yoy in April.

## German industrial production increased in May

Industrial production in Germany increased by 1.2%mom in May, after the downwardly revised -1.6%mom decrease in April. The positive development of production in May 2025 was due to the growth observed in the automotive industry (+4.9%mom) and in energy production (+10.8%). The increase in production in the pharmaceutical industry (+10.0%) also had a positive impact on the overall result. By contrast, the decrease in the construction industry (-3.9%) had a negative impact. The less volatile three-month average showed that industrial production was 1.4% higher during March-May compared to the previous three-month period. On a yearly basis, output increased by 1.0%yoy, following the -1.8%yoy in April.

## Germany headline inflation reached the 2% ECB's target in June

German annual inflation was confirmed at 2.0% in June, unchanged vs. the preliminary release, coming down from 2.1% in the previous two months. This is the lowest level since October 2024. The decline was a combination of a decline in energy prices and slower rise of the prices for food and services. Energy prices declined by -3.5%yoy (vs -4.6% in May), triggered by motor fuels (-4.6%yoy), while the prices for food slowed to 2%yoy (vs 2.8% in May) and for services to 3.3%yoy (vs 3.4% in May). Core inflation (excl. food and energy) declined marginally at 2.7%yoy from 2.8%yoy in May. On a monthly basis, CPI was flat (vs. 0.1%mom in May).

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# Data spotlight: 07 – 11 July

**US Economy**

## FOMC minutes – June 2025 Meeting Summary

At its June 17-18 meeting, the FOMC voted unanimously to keep the federal funds rate steady at 4.25%-4.50%, as economic activity continued to grow at a solid pace and inflation remained somewhat elevated. The Committee acknowledged that uncertainty around the outlook had diminished, particularly following a pullback in expected tariff levels, though geopolitical risks and trade tensions continued to warrant caution.

Headline and core inflation eased modestly, with core PCE inflation at 2.6%yoy in May. Participants noted that while inflation has declined substantially since its 2022 peak, progress has been uneven and services inflation remains sticky. Tariff-related inflation pressures were discussed extensively, with wide uncertainty around their timing, scale, and persistence. While short-term inflation expectations remain somewhat elevated, longer-term expectations are still well anchored.

Labor market conditions were seen as strong, with a 4.2% unemployment rate and solid job gains, although several members flagged signs of cautious hiring and softening in some sectors.

Consumer spending remained resilient, though sentiment remains weak. Business investment was supported by strong access to credit, but firms expressed hesitation in launching large new projects amid lingering uncertainty.

Financial markets showed improved risk sentiment and tighter credit spreads, while Treasury yields moved modestly higher. The balance sheet runoff continued as planned, with reserves still viewed as ample, though the Committee began implementing additional repo operations to maintain policy effectiveness.

Most participants signaled that one or two rate cuts later this year could be appropriate, contingent on continued inflation progress and stable labor market conditions. However, some members argued for maintaining current policy given recent elevated inflation readings and potential upside risks from tariffs. All participants stressed a cautious, data-dependent approach.

Overall, the FOMC remains in a holding pattern, balancing the improved inflation data and the ongoing economic strength with the persistent policy uncertainty. The current stance is viewed as modestly restrictive, providing room to adjust policy in either direction depending on the forthcoming developments.

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# Data spotlight: 07 – 11 July

**International and Romanian Markets**

- **EURRON continued to trade with an upward bias last week**

The EURRON traded last week in a higher range of 5.0620 – 5.0783 with a slight upward bias throughout the week. Thus, the pair ended Friday's trading session at 5.0783, only slightly above the closing level of the prior week. In spite of the internal and external uncertainties we continue to expect the 5.00-5.10 range to prevail.

- **The ROBOR curve decreased last week**

The ROBOR curve decreased further last week, with the ON ROBOR falling by 32bp to 5.69% (from 6.01% the previous Friday), the 1W ROBOR decreased by 40bp to 5.78% (from 6.18%), the 1M ROBOR dropped by 20bp to 6.44% (from 6.64%), and the 3M ROBOR fell by 24 bp to 6.75% (from 6.99%). The NBR stopped doing the repo operations as the market liquidity rebounded.

- **MinFin auctions**

Last Monday, the Ministry of Finance held an auction for 3.8Y T-bonds for which the bids exceeded the plan, at RON 836.2mn vs. RON 400mn and MinFin placed RON 561.2mn. The average accepted yields was 7.34% (max 7.35%), lower by 20bp vs. the previous reopening one month before.

Last Wednesday, the Ministry of Finance held an auction on international markets for 14Y Euro denominated T-bonds and for 5Y and 10Y USD denominated bonds. For the 14Y maturity MinFin placed EUR 1.5bn with and average accepted yield of 6.53%. For the 5Y T-bond MinFin placed USD 2bn with an average yield of 5.77% and for the 10Y T-bond MinFin placed 1.75bn with an average yield of 6.64%.

Last Thursday, the Ministry of Finance held an auctions for 1Y T-bills and for 4.8Y T-bonds. For the 1Y T-bill the bids exceeded the plan, at RON 961.8mn vs. RON 500mn and MinFin decided to place RON 518.8mn. The average accepted yields was 6.85%. The bids for the 4.8Y T-bond scheduled for the same day covered more than the planned amount, at RON 1551.3mn vs. RON 400mn, and resulted in MinFin placing RON 1171.3mn. The average accepted yields was 7.31% (max 7.32%), lower by 21bp vs. the previous reopening one month before.

- **FX markets**

The USD remained under pressure by the mid of the last week, the EURUSD pair reaching 1.1724 on July 8, before the end of the 90 days period set up by Trump administration for bilateral negotiations of the import tariffs. Following the US offering a prolongation of the negotiations period until August 1st for the EU and August 12 for China, the EURUSD temporarily appreciated to below 1.17 on Friday. The upward pressures for the USD are here to stay, the USD volatility caused by the unpredictable changes in the US trade policy and the geopolitical tensions weakening the role of the USD as a safe-haven currency. UniCredit expects the EURUSD to trade close to 1.20 by the end of the year.

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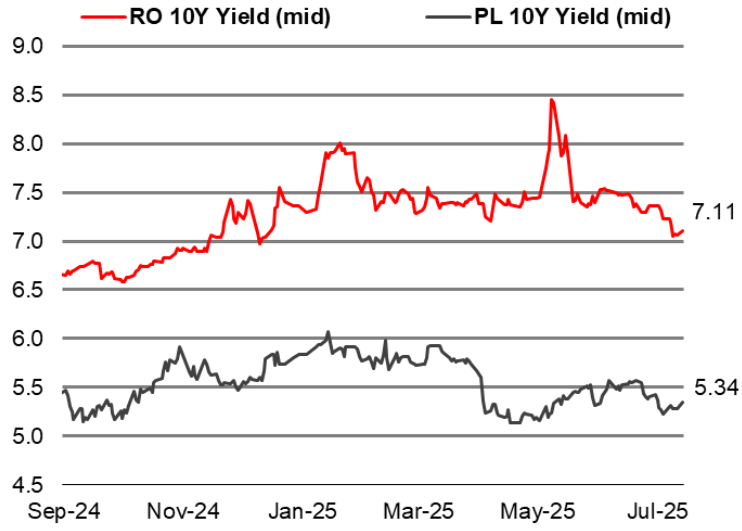
# Focus Ahead: 14 – 18 July

## MinFin Issues




*Data Source: Thomson Reuters*

- According to the fixing levels, the Romanian yields decreased along the curve last week, with the 1Y dropping by 10bp, 3Y by 12bp, 5Y by 7bp and the 10Y by 14bp. Yields are under mild downward pressure after the new government officially announced the first fiscal measures last week. Further decreases in yields are possible if the implementation is done quickly and smoothly. But upside risk exist in the light of inflationary pressures from the rise in VAT and excises that enter into action in August.
- The MinFin will issue RON 400mn in 3.3Y T-bonds and RON 400mn in 7.5Y on Monday and RON 400mn in 6.1Y T-bonds on Thursday.

**BOND ISSUES - JULY**

| ISIN Code | Auction Date | Maturity Date | Months | Planned Amount (mn) | Currency | Total Applications | Total Allocated | Yield (avg) |
|---|---|---|---|---|---|---|---|---|
| RO52CQA3C829 | 31-Jul-25 | 29-Sep-32 | 87 | 400 | lei | | | |
| ROP9QVD42HO2 | 31-Jul-25 | 31-May-27 | 22 | 400 | lei | | | |
| RODFIUK7ZV55 | 28-Jul-25 | 25-Apr-35 | 119 | 400 | lei | | | |
| ROCDG04X8WJ7 | 28-Jul-25 | 26-Apr-28 | 33 | 400 | lei | | | |
| RO0DU3PR9NF9 | 24-Jul-25 | 24-Feb-38 | 153 | 200 | lei | | | |
| ROYNCLHRHVV6 | 24-Jul-25 | 29-Jul-30 | 61 | 400 | lei | | | |
| ROO7A2H5YIN8 | 21-Jul-25 | 25-Feb-32 | 80 | 400 | lei | | | |
| ROOFOYB15203 | 17-Jul-25 | 27-Jul-31 | 73 | 400 | lei | | | |
| ROPG9LZUB0O2 | 14-Jul-25 | 30-Oct-28 | 40 | 400 | lei | | | |
| ROZBOC49U096 | 14-Jul-25 | 27-Jul-33 | 98 | 400 | lei | | | |
| US77586RAX89 | 16-Jul-25 | 16-May-36 | 132 | 2,000 | usd | | 1,750 | 6.642 |
| US77586RAY62 | 16-Jul-25 | 16-Sep-30 | 63 | 2,000 | usd | | 2,000 | 5.772 |
| XS3021378461 | 16-Jul-25 | 11-Jul-39 | 170 | 1,500 | euro | | 1,500 | 6.53 |
| ROXL7LT7QZ66 | 10-Jul-25 | 29-Apr-30 | 58 | 400 | lei | 1,551 | 1,171 | 7.31 |
| ROEJIZF60TB0 | 10-Jul-25 | 29-Jun-26 | 12 | 500 | lei | 962 | 519 | 6.85 |
| ROJVM8ELBDU4 | 7-Jul-25 | 25-Apr-29 | 46 | 400 | lei | 836 | 561 | 7.34 |
| ROTM7EDD92S2 | 3-Jul-25 | 31-Jul-34 | 111 | 300 | lei | 1,924 | 1,383 | 7.34 |
| RO45DLJ4EE76 | 3-Jul-25 | 28-Apr-27 | 22 | 500 | lei | 1,760 | 1,615 | 7.24 |

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# Focus Ahead: 14 – 18 July

# Data Calendar

| Date | Country | Indicator/Event | Period | UniCredit forecast | Consensus | Previous |
|---|---|---|---|---|---|---|
| 14.07.2025 | RO | Current Account YTD (EUR mn) | May | -2844 | | -3230 |
| 15.07.2025 | RO | Industrial Production (% mom) | May | 0.3 | | 2.3 |
| | EMU | Industrial Production (% mom) | May | 1.1 | 0.6 | -2.4 |
| | EMU | ZEW Economic Setiment | July | | | 35.3 |
| | GE | ZEW Economic Setiment | July | | | 47.5 |
| | US | Core CPI (% mom) | June | 3.0 | 3.0 | 2.8 |
| | US | Consumer price index, CPI (% yoy) | June | 2.7 | 2.6 | 2.4 |
| | US | Consumer price index, CPI (% mom) | June | 0.3 | 0.3 | 0.1 |
| 16.07.2025 | US | PPI(% mom) | June | | | 0.1 |
| 17.07.2025 | EMU | Inflation Rate final (% yoy) | June | | | 2.0 |
| | US | Retail Sales (%mom) | June | -0.1 | 0.0 | -0.9 |
| | GE | PPI(% mom) | June | | | -0.2 |
| 18.07.2025 | US | Michigan Consumer Sentiment Prel | July | | 61.3 | 60.7 |

*Data Source: Bloomberg*

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# Economic Forecasts

| MACROECONOMIC DATA AND FORECASTS | 2021 | 2022 | 2023 | 2024 | 2025F | 2026F |
|---|---|---|---|---|---|---|
| GDP (EUR bn) | 242.3 | 281.7 | 324.4 | 353.8 | 375.5 | 394.1 |
| 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 | 19,726 | 20,736 |
| Real economy, change (%) | | | | | | |
| GDP | 5.5 | 4.0 | 2.4 | 0.8 | 1.0 | 1.8 |
| Private Consumption | 7.0 | 5.1 | 3.0 | 6.0 | 1.8 | 2.4 |
| Fixed Investment | 4.0 | 5.4 | 14.5 | -3.3 | 2.8 | 2.9 |
| Public Consumption | -0.6 | -1.4 | 6.3 | 0.7 | 1.2 | -0.8 |
| Exports | 12.6 | 9.3 | -0.8 | -3.1 | 1.0 | 4.4 |
| Imports | 14.6 | 9.3 | -1.1 | 3.8 | 3.3 | 4.8 |
| Monthly wage, nominal (EUR) | 1175 | 1303 | 1489 | 1710 | 1811 | 1882 |
| Real wage, change (%) | 2.0 | -2.2 | 3.6 | 9.4 | 0.6 | 0.4 |
| 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 | -8.5 | -6.4 |
| Primary balance | -5.6 | -4.3 | -4.7 | -7.2 | -5.3 | -4.0 |
| 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 | -33.0 | -33.0 |
| Current account balance/GDP (%) | -7.2 | -9.5 | -6.6 | -8.4 | -8.8 | -8.4 |
| Extended basic balance/GDP (%) | -1.8 | -4.1 | -1.9 | -5.7 | -5.8 | -5.2 |
| Net FDI (% of GDP) | 3.7 | 3.3 | 2.0 | 1.6 | 1.3 | 1.5 |
| Gross foreign debt (% of GDP) | 58.8 | 54.6 | 56.5 | 57.9 | 57.1 | 59.3 |
| FX reserves (EUR bn) | 40.5 | 46.6 | 59.8 | 62.1 | 57.5 | 56.1 |
| Months of imports, goods & services | 4.3 | 4.0 | 5.1 | 5.1 | 4.4 | 4.1 |
| Inflation/Monetary/FX | | | | | | |
| CPI (pavg) | 5.0 | 13.7 | 10.5 | 5.6 | 6.3 | 5.4 |
| CPI (eop) | 8.2 | 16.4 | 6.6 | 5.1 | 7.6 | 3.5 |
| 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 | 5.00 |
| 3M money market rate (Dec avg) | 2.83 | 7.66 | 6.25 | 5.91 | 6.33 | 4.63 |
| USDRON (eop) | 4.37 | 4.63 | 4.50 | 4.78 | 4.37 | 4.29 |
| EURRON (eop) | 4.95 | 4.95 | 4.97 | 4.97 | 5.07 | 5.15 |
| USDRON (pavg) | 4.16 | 4.68 | 4.57 | 4.60 | 4.49 | 4.34 |
| EURRON (pavg) | 4.92 | 4.93 | 4.95 | 4.97 | 5.03 | 5.12 |

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# 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

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