Macroeconomic and Strategic Analysis

UniCredit Weekly Report

Fitch maintained Romania's sovereign rating at BBB- with a negative outlook

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Weekly briefing

Romanian Economy

- **Fitch maintained Romania's rating at BBB- with negative outlook.**
- **According to flash estimate, GDP showed a 0.1%yoy growth (gross terms) for 4Q25,** decelerating strongly from 1.7%yoy in 3Q25. Moreover, the release indicated a technical recession with a second quarter-on-quarter drop (s.a. terms), at -1.9%qoq in 4Q25, after -0.1%qoq in 3Q25. For the full year 2025, the economy registered an increase of 0.6%yoy [UniCredit and consensus: 0.8%yoy], tempering from 0.9%yoy in 2024.
- **The trade deficit was EUR 2.7bn in December, lower by 19.7%yoy** (-EUR 659.3mn), as exports increased by 9.4%yoy and imports decreased by 0.4%yoy. During 2025, both exports and imports increased by 4.2%yoy and by 2.6%yoy respectively, resulting in a trade deficit down by 2%yoy.
- **Industrial production increased by 0.8%mom (seasonally adjusted) and by 1.5%yoy, in December,** diminishing the drop for the entire year 2025 to -0.9%yoy.
- **The average net salary rose by 5.3%mom and by 4.8%yoy in December**, to RON 5,914, while in real terms it dropped by 4.5%yoy.

European Economy

- Last week's data calendar included no important data releases.

US Economy

- **US retail sales showed no growth in December 2025**, following a 0.6%mom rise in November. **On a yearly basis, retail sales increased by 2.4%yoy in December 2025**.
- **The US employment report for January showed an increase of the non-farm payrolls by 130k new jobs.**
- **The US unemployment rate edged down to 4.3% in January 2026** from 4.4% in December, slightly better than expected
- **Average hourly earnings rose a moderate 0.4% mom.**
- **The US CPI fell to 2.4%yoy in January 2026**, from 2.7%yoy in the previous month, marking the lowest since May. **Annual core inflation eased to 2.5%yoy**, its lowest reading since March 2021, compared with 2.6% in the prior month.

The external calendar for the next period includes the **EMU industrial production** (Monday), **EMU and German ZEW economic sentiment index** (Tuesday), **US industrial production and FOMC minutes** (Wednesday) and **German PPI, EMU and German Composite PMI, US personal income and spending and US real 4Q GDP** (Friday).

The Romanian calendar includes the **Current Account and inflation** data (Monday) and **NBR interest rate decision** (Tuesday).

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Data spotlight: 9 – 13 February

CURRENCIES - MAJORS

Currencies	Last	1D ch (%)	1M ch (%)
EURUSD	1.1864	-0.05%	1.88%
EURCHF	0.91	-0.09%	-2.16%
USDJPY	153.59	0.60%	-3.11%
GBPUSD	1.3642	-0.11%	1.44%

CURRENCIES - CEE

Currencies	Last	1D ch (%)	1M ch (%)
EURPLN	4.2080	-0.01%	-0.06%
EURHUF	377.60	-0.47%	-2.18%
EURCZK	24.25	-0.06%	-0.02%

CURRENCIES - NBR REFERENCE

Currencies	EUR	USD	SDR	XAU (1g)
16-Feb	5.8511	0.2675	00 0.0255	1.3927

CURRENCIES - RON

	EURRON	USDRON
16-Feb	5.095	4.294
13-Feb	5.096	4.292
12-Feb	5.093	4.289

FIXED INCOME MARKET YIELDS - LOCAL

Mid-rate	1Y	3Y	5Y	10Y
16-Feb	5.8	6.0	6.1	6.4
13-Feb	5.8	6.0	6.1	6.4
11-Feb	5.9	6.1	6.2	6.4

MONEY MARKET RATES - LOCAL

ROBOR	ON	1M	3M
16-Feb	5.70	5.75	5.84
13-Feb	5.50	5.80	5.85
12-Feb	5.65	5.70	5.85

MONEY MARKET RATES - MAJORS

Euribor	1M	3M	6M
13-Feb	1.95	2.00	2.15
12-Feb	1.97	1.98	2.13
11-Feb	1.99	1.99	2.11
USDSFOR	1M	3M	6M
13-Feb	3.66	3.78	4.03
12-Feb	3.66	3.78	4.04
11-Feb	3.66	3.79	4.04

STOCK MARKETS

Index	Last	1D ch (%)	1M ch (%)
S&P 500	6,836.2	0.05%	-1.83%
FTSE	46,069.0	0.01%	0.07%
Hang Seng	56,806.4	-0.24%	4.98%
Bucharest BET	26,705.9	0.52%	-0.52%

Romanian Economy

Fitch maintained Romania's sovereign rating at BBB- with a negative outlook

Fitch's latest rating action on 13 February 2026 reaffirmed Romania's BBB- sovereign rating with a Negative Outlook, reflecting a macroeconomic landscape where structural vulnerabilities increasingly outweigh institutional strengths. The main takeaways from Fitch are listed below:

- Romania continues to benefit from the stabilizing effect of EU membership, which supports capital inflows, income convergence and access to external financing, while governance and GDP per capita remain above the BBB peer group. Yet, these anchors are not sufficient to offset the mounting fiscal and external pressures that continue to shape the country's risk profile.
- The fiscal picture remains one of the most significant challenges. Fitch estimates Romania's 2025 ESA budget deficit to have reached roughly 8% of GDP, placing the country among the weakest performers in the BBB category. Although the government implemented notable fiscal consolidation measures in 2025 (including the VAT increase and spending restraint) these efforts are only beginning to show results, with a potential deficit reduction of around 2pp expected in 2026. Despite this, the medium-term outlook remains clouded by uncertainty surrounding the durability and political feasibility of continued consolidation, especially given the tensions in the governing coalition, the upcoming change of the Prime Minister

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Data spotlight: 9 – 13 February

Romania Economy (continued)

in 2027 and the 2028 electoral cycle. These political dynamics are expected to complicate the implementation of further structural fiscal reforms, increasing the risk of policy slippage.

- Public debt dynamics reinforce these concerns. Gross government debt rose rapidly in the past two years, reaching close to 59% of GDP in 2025 (above the current BBB median of 56%) and Fitch projects this ratio to climb further to 63% by 2027. Without additional credible consolidation measures, debt is expected to remain on an upward trajectory, leaving Romania more exposed to changes in financing conditions and market sentiment. These trends underscore the importance of sustained fiscal tightening, which remains threatened by political fragmentation and policy fatigue.
- Economic performance offers little relief. Growth in 2025 remained below 1%, constrained by domestic fiscal tightening and weak external demand, and is projected to remain below its estimated potential of around 2% until 2027. Household consumption is expected to contract further due to declining real disposable incomes, limiting the role of consumption as a growth driver. At the same time, Romania continues to struggle with persistent external imbalances: the current account deficit hovered close to 8% of GDP in 2025, highlighting structural vulnerabilities that compound fiscal risks. These twin deficits, fiscal and external, remain among the key factors underpinning the Negative Outlook.
- Political pressures pose a meaningful risk to the timely adoption and consistent implementation of additional consolidation measures, raising uncertainties about Romania's ability to stabilize debt and correct external imbalances over the medium term.
- Looking ahead, Fitch outlines clear *conditions that could prompt a downgrade*, most notably the failure to deliver further fiscal consolidation or signs that political tensions are undermining macroeconomic stability or access to external financing. Conversely, a sustained effort to reduce deficits, stabilize public debt and narrow external imbalances could eventually support a *revision of the Outlook to Stable*. For now, however, the balance of risks remains skewed to the downside, with the rating agency emphasizing that Romania's fiscal trajectory and political landscape will be decisive in shaping its sovereign credit profile in the coming years.

The Romanian 4Q25 flash GDP surprised negatively

The NIS released the flash estimate for 4Q2025 GDP showing a 0.1%yoy growth (in gross terms), lower than our and the consensus expectations [UniCredit: 0.9%yoy; consensus: 0.8%yoy] and decelerating strongly from +1.7%yoy in 3Q2025.

Moreover, the release indicated a technical recession with a second quarter-on-quarter drop (in seasonally adjusted terms), at -1.9%qoq in 4Q2025, after -0.1%qoq in 3Q2025.

For the full year 2025, the economy registered an increase of 0.6%yoy, lower than our and the consensus expectations [UniCredit and consensus: 0.8%yoy], tempering from the 0.9%yoy growth in 2024. Moreover, 2025 was the second year with significantly below potential growth. We expect 2026 to be similar in that sense, with a growth rate of at most 1.5%, in case Romania manages to invest

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Data spotlight: 9 – 13 February

Romania Economy (continued)

with the help of EU funds. Faster growth is possible from 2027 onwards if macroeconomic imbalances are corrected this year and absorption and investment of EU funds accelerates.

The details for the GDP components will be published on 6 March. According to the high frequency data available so far, the surprise might have come from a worse-than-anticipated performance in retail sales, while industrial production registered its third year of contraction. Yet, agriculture, IT and constructions likely showed an increase.

The Romanian trade deficit was EUR 2.7 bn in December 2025

The *trade deficit* was EUR 2.7bn in December, below our expectations [UniCredit: 2.8bn], lower by 19.7%yoy (-EUR 659.3mn), as exports increased by 9.4%yoy and imports decreased by 0.4%yoy. During 2025, both exports and imports increased, by 4.2%yoy and 2.6%yoy, respectively, resulting in a trade deficit down by 2%yoy.

Most *import* categories rose, with the largest increases in volumes for machinery and transport equipment (+3.8%yoy, +EUR 1.7bn), followed by chemicals and related products (+4.8%yoy, +EUR 863mn), manufactured goods (raw materials) (+1.6%yoy, +EUR 337mn) and other goods (+397%yoy, EUR +331mn).

The categories of imports that declined were food and live animals (-0.7%yoy, EUR -80mn), raw, inedible materials, excluding fuel (-1.8%yoy, EUR -52.2mn) and miscellaneous manufactured articles (-0.2yoy, EUR -23mn).

On the *exports'* side, the largest increases in volumes were seen for machinery and transport equipment (+3.4%yoy, +EUR 1.5bn), mineral fuels, lubricants and related minerals (+18.7%yoy, +EUR 903mn), food and live animals (+13.4%yoy, +EUR 876mn), raw, inedible materials, excluding fuel (+24.6%yoy, EUR 792mn), chemicals and related products (+5.0%yoy, +EUR 251mn).

The largest decline by volume was for miscellaneous manufactured articles (-3.2%yoy, -EUR 396mn), followed by manufactured goods (raw materials) (-2.1%yoy, -EUR 291mn).

Around 72% of the trade activity was with the European Union. We expect the trade deficit to further indicate a slight improvement after the high levels of previous years, in the context of slowing consumption due to the stricter control of public and private spending.

The Romanian industrial production increased in December

Industrial production increased by 0.8%mom (seasonally adjusted data) in December, after a revised -0.6%mom decline in the previous month. The increase was due to manufacturing (+1.2%mom) and mining and quarrying (+0.8%mom), while electricity decreased (-2.6%mom). Compared to the corresponding month of 2024, the Romanian industrial production increased by 1.5%yoy, diminishing the drop for the entire year 2025 to -0.9%yoy. We expect the growth of industrial production to return in positive territory in 2026, after three weak years during which it experienced contractions.

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Data spotlight: 9 – 13 February

Romania Economy (continued)

The average net salary increased in December

The *average net salary* rose by 5.3%mom in December, to RON 5,914. The annual growth pace increased to 4.8%yoy in December from 4.2% in the previous months. The highest increases in December were in electricity, gas, steam and air conditioning supply (+28.4%mom) and in financial service activities-except insurance and pension funding (+26.4%), followed by increases between 12.0% and 23% in manufacture of basic metals, water transport, extraction of crude petroleum and natural gas, warehousing and support activities for transportation, telecommunications, sewerage, mining support service activities, manufacture of other transport equipment, water collection, treatment and supply, other mining and quarrying, manufacture of coke and refined petroleum products, manufacture of basic pharmaceutical products and pharmaceutical preparations, manufacture of other non-metallic mineral products, real estate activities. Part of these increases can be attributed to holiday bonuses for the month of December.

In real terms, the average wage dropped by 4.5% in December 2025 versus December 2024. Overall, average net wage growth in 2026 is expected to lag inflation, resulting in an estimated real net wage decline of around 2.2%yoy vs. a 0.6%yoy decline in 2025.

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Data spotlight: 9 – 13 February

US Economy

- **US retail sales unexpectedly flatlined in December**

US retail sales showed no growth in December 2025, following a 0.6%mom rise in November. Gains in categories such as building materials and garden equipment (+1.2%), sporting goods, hobby, musical instrument and bookstores (+0.4%), gasoline stations (+0.3%), food and beverage stores (+0.2%) were offset by declines at miscellaneous retailers (-0.9%), furniture stores (-0.9%), clothing stores (-0.7%), electronics and appliance stores (-0.4%), motor vehicle and parts dealers (-0.2%).

On a yearly basis, retail sales increased by 2.4%yoy in December 2025 (vs. a 3.3%yoy growth in November), the smallest annual gain since September 2024.

- **US employment report was above expectations and the unemployment rate decreased in January**

The US employment report for January shows an increase of the non-farm payrolls by 130k new jobs, a sharp rebound from the downwardly revised 48k increase in December and well above projections [UniCredit: 80k; consensus: 70k]. Employment gains were concentrated in health care, social assistance, and construction, while the federal government and financial activities recorded job losses.

Overall payroll growth remained modest through 2025, averaging just 15k jobs/month, with a yearly increase in jobs of 181k (downwardly revised from 584k)

The US unemployment rate edged down to 4.3% in January 2026 from 4.4% in December, slightly better than expected [UniCredit and consensus: 4.4%]. The number of unemployed individuals fell by 141k to 7.36mn, while total employment increased by 528k to 164.5mn. The labor force grew by 387k to 171.9mn, pushing the participation rate up 0.1pp to 62.5%.

Average hourly earnings rose a moderate 0.4% mom, slightly above UniCredit estimate of a 0.3%mom increase. The yearly pace came in at 3.8%yoy in January (vs. 3.6%yoy in December).

- **The US headline inflation and core inflation declined in January**

The US CPI fell to 2.4%yoy in January 2026, from 2.7%yoy in the previous month, marking the lowest since May, and coming in below expectations [UniCredit and consensus: 2.5%]. Price pressures eased significantly in the energy sector, with prices falling 0.1%, led by gasoline (-7.5%) and fuel oil (-4.2%). Prices of natural gas rose at a slightly slower pace (9.8% vs 10.8%). A decline was also seen in prices for used cars and trucks (-2%), food (3.1%) and shelter (3%). On a monthly basis, the CPI rose by 0.2%mom, below forecasts [UniCredit: 0.4%; consensus: 0.3%]. Annual core inflation eased to 2.5%yoy, its lowest reading since March 2021, compared with 2.6% in the prior month.

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Data spotlight: 9 – 13 February

International and Romanian Markets

- **The EUR-RON under slight upward pressure at the end of last week**

The EUR-RON traded with an upward bias last week, within the 5.0810-5.0962 range. The pair ended Friday's trading session at 5.0962, after the GDP data was released, higher than the 5.0917 level at the closing on 6 February. We expect the pair to stabilize around the current levels this week, with the downside space quite limited and the 5.10 resistance level prevailing.

- **The ROBOR curve stabilized last week**

The ROBOR rates remained mostly unchanged, stabilizing last week. The ON ROBOR, 1W and 1M were unchanged at 5.64%, 5.65% and 5.68%, respectively, while the 3M decreased by 2bp to 5.83%. The ROBOR curve is likely to continue its slightly downward trend towards the 5.50% deposit facility rate, as ample liquidity is available.

- **MinFin auction**

On Monday, the Ministry of Finance held auctions for *two T-bonds*, with maturities of 9.3Y and 3.8Y, respectively. *For the 9.3Y T-bond* the bids were well above the planned amount, at RON 1774.1mn vs. RON 500mn, with MinFin placing RON 890.8mn. The average accepted yield was 6.40% (max 6.40%), 27bp lower than the auction in January. *For the 3.8Y T-bond* the bids exceeded the planned amount, at RON 2085mn vs. RON 800mn, with MinFin placing RON 1030mn. The average accepted yield was 6.11% (max 6.11%), 11bp below the last auction a month prior.

On Thursday, the Ministry of Finance held auctions for *a T-bill and a T-bond*, with maturities of 1Y and 7.4Y. *For the 1Y T-bill* the bids exceeded the planned amount, at RON 1911.8mn vs. RON 1000mn, with MinFin placing RON 997.8mn. The average accepted yield was 5.75% (max 5.75). *For the 7.4Y T-bond* the bids exceeded the planned amount, at RON 1180.3mn vs. RON 600mn, with MinFin placing RON 600mn. The average accepted yield was 6.35% (max 6.36%), lower by 33bs from the auction in January.

- **FX markets**

The EUR-USD traded between 1.1820 - 1.1928 last week, with a slight overall upward bias in the fist half of the week followed by a stabilization around the upper half of 1.18. The appreciation of the euro in the first part of the week comes in the backdrop of the Trump administration considering rolling back tariffs on steel and aluminium and as a risk-off on US equity markets was underway, amid solid selling as a reaction to new, productivity focused AI innovations. In the second half of the week the dollar strengthened following stronger than expected employment data and softer inflation, stabilizing the pair at a lower level than the high of the week.

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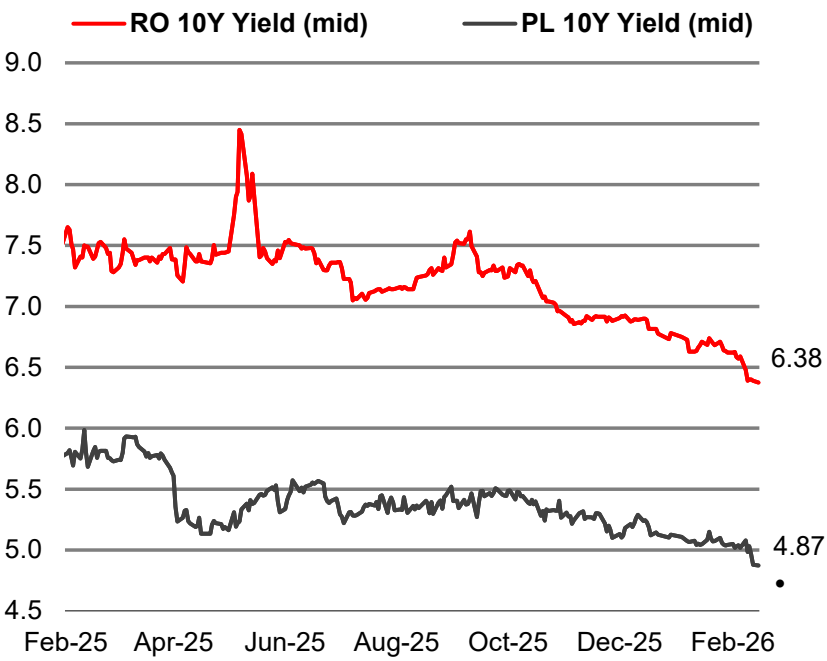
Focus Ahead: 16 – 20 February

MinFin Issues



Data Source: Thomson Reuters

- According to the fixing levels, the Romanian yields decreased last week. The 1Y dropped by 8bp, the 3Y by 9bp, the 5Y by 11bp and the 10Y by 16bp. Investor confidence continued to push bond yields down seemingly unaffected by the technical recession recorded in the GDP statistics and the public disagreements within the governing coalition. We expect yields to continue to decline as Fitch maintained Romania's investment grade rating in its recent rating action. Nonetheless, risks remain tilted to the upside, in case political tensions escalate or the risk of fiscal slippages increases.
- This week, MinFin will issue RON 400mn in a 14.7Y T-bond and RON 400mn in a 5.5Y T-bond on Monday and RON 700mn in a 2.3Y T-bond on Thursday.

BOND ISSUES - February

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

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Focus Ahead: 16 – 20 February

Data Calendar – February 2026

	Country	Indicator/Event	Period	UniCredit forecast	Consensus	Previous
16.02.2026	RO	Current account (EUR, bn)	Dec	29.4		27.1
	RO	CPI (%, yoy)	Jan	9.7	9.5	9.7
	EMU	Industrial production (% mom)	Dec	-1.6		0.7
17.02.2026	RO	Interest rate decision	Feb	6.5	6.5	6.5
	EMU	ZEW Economic Sentiment Index	Feb		45.2	40.8
	GE	ZEW survey - curent situation (index)	Feb	55.0		59.6
	GE	ZEW survey - expectations (index)	Feb	38.0		34.7
18.02.2026	US	Industrial production (%, mom)	Jan	0.1	0.3	0.4
	US	FOMC minutes				
20.02.2026	GE	PPI (%, yoy)	Jan			-2.5
	GE	Manufacturing PMI (index)	Feb	49.5	49.5	49.1
	GE	Services PMI (index)	Feb	52.5	52.2	52.4
	GE	Composite PMI (index)	Feb	52.3		52.1
	EMU	Manufacturing PMI (index)	Feb	49.3	49.9	49.5
	EMU	Services PMI (index)	Feb	51.9	51.9	51.6
	EMU	Composite PMI (index)	Feb	51.5		51.3
	US	Personal income (% mom)	Dec	0.3	0.3	0.3
	US	Personal expenditures (% mom)	Dec	0.1	0.4	0.3
	US	PCE core inflation (% mom)	Dec	0.3	0.4	0.2
	US	PCE core inflation (% yoy)	Dec	2.9	2.9	2.8
	US	Real GDP (% qoq annualised)	4Q	2.5	3.0	4.4

Data Source: Bloomberg

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Economic Forecasts

MACROECONOMIC DATA AND FORECASTS	2022	2023	2024	2025F	2026F	2027F
GDP (EUR bn)	281.7	324.4	353.8	376.6	396.4	415.5
Population (mn)	19.0	19.1	19.1	19.0	19.0	19.0
GDP per capita (EUR)	14,790	17,024	18,556	19,784	20,857	21,894
Real economy, change (%)						
GDP	4.0	2.4	0.8	0.8	1.5	3.0
Private Consumption	5.1	3.0	6.0	1.4	2.9	3.3
Fixed Investment	5.4	14.5	-3.3	3.5	4.3	4.5
Public Consumption	-1.4	6.3	0.7	-1.8	-0.8	2.0
Exports	9.3	-0.8	-3.1	2.7	4.8	4.7
Imports	9.3	-1.1	3.8	4.9	4.6	6.1
Monthly wage, nominal (EUR)	1303	1489	1710	1828	1895	1977
Real wage, change (%)	-2.2	3.6	9.4	0.9	-2.2	3.2
Unemployment rate (%)	5.6	5.6	5.5	6.0	6.8	6.6
Fiscal accounts (% of GDP)						
Budget balance	-6.4	-6.6	-9.3	-8.4	-6.4	-5.7
Primary balance	-4.3	-4.7	-7.2	-5.7	-3.6	-2.9
Public debt	47.9	48.9	54.8	62.5	66.7	69.3
External accounts						
Current account balance (EUR bn)	-26.8	-21.5	-28.9	-31.0	-28.4	-28.3
Current account balance/GDP (%)	-9.5	-6.6	-8.2	-8.2	-7.2	-6.8
Extended basic balance/GDP (%)	-4.1	-1.9	-5.5	-4.7	-3.3	-2.5
Net FDI (% of GDP)	3.3	2.0	1.3	1.5	1.7	2.1
Gross foreign debt (% of GDP)	54.6	56.4	57.5	58.7	61.3	61.2
FX reserves (EUR bn)	46.6	59.8	62.1	64.8	69.1	70.7
Months of imports, goods & services	4.0	5.1	5.1	5.0	5.1	4.9
Inflation/Monetary/FX						
CPI (pavg)	13.7	10.5	5.6	7.3	7.3	3.4
CPI (eop)	16.4	6.6	5.1	9.7	4.5	3.2
Central bank target	2.50	2.50	2.50	2.50	2.50	2.50
Central bank reference rate (eop)	6.75	7.00	6.50	6.50	5.50	4.50
3M money market rate (Dec avg)	7.66	6.25	5.91	6.22	5.09	4.49
USDRON (eop)	4.63	4.50	4.78	4.34	4.38	4.38
EURRON (eop)	4.95	4.97	4.97	5.10	5.17	5.25
USDRON (pavg)	4.68	4.57	4.60	4.47	4.34	4.38
EURRON (pavg)	4.93	4.95	4.97	5.04	5.10	5.22

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Glossary

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

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

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

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

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

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

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