Macroeconomic and Strategic Analysis

UniCredit Weekly Report

The Romanian annual inflation was unchanged at 5.0% in February

17 March, 2025

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Weekly briefing

In the **US**, the number **of job openings (JOLTS) increased by 232,000 to 7.74 million in January. The US CPI tempered more than expected, to 2.8%yoy in February**, the first decline since September 2024, after 3.0%yoy in January. **In comparison to the previous months, the CPI rose by 0.2%, after +0.5%mom in January**. **Core inflation** (excl. food and energy) **eased more than expected as well, to 3.1%yoy and rose 0.2%mom**. UniCredit expects CPI core goods inflation to rise notably as the tariffs work their way through the economy for the following reasons: 1. the tariffs proposed by the Trump administration are of a greater scale and more broad-based than in 2018-19; 2. inflation expectations of households and firms may be more brittle because they experienced high inflation in 2021-23; and 3. reduced immigration will tighten the labour market, which could increase second-round effects. Still, year-on-year headline and core inflation rates are likely to gradually ease through May, thanks to base effects and lags in services inflation and could provide a window for the Fed to cut rates to support economic activity. **A 25% tariff on aluminum and steel imports** came into effect on 12th March. The **US producer prices were unchanged in comparison to the previous month**, after an upwardly revised +0.6%mom in January. **The University of Michigan consumer sentiment for the US dropped to 57.9 in March 2025**, marking the lowest point since November 2022, down from 64.7 in February.

Industrial production in the eurozone increased slightly by 0.8%mom in January, with Germany increasing more than expected, by 2%mom, after -1.5%mom in December 2024.

The **Romanian annual inflation was unchanged at 5.0% in February**, coming in above expectations, although **core inflation tempered slightly to 5.0%yoy** from 5.1%yoy in January. In comparison to January 2025, **CPI increased by 0.9%.** The surprise was caused by **a sharp jump in gas prices (+9.1%mom). The trade deficit was EUR 2.75bn in January,** higher by 38.5%yoy (+EUR 0.8bn) as the imports rose more than fourfold compared to exports (+2.4%yoy and +10.3%yoy, respectively). **The Romanian industrial production increased by +2.0%mom** (s.a. data) in January, after -1.2%mom in December. **The average net salary decreased by -5.6% in January 2025** vs. December 2024, **to RON 5,328** mainly due to unfavorable base effects. **Moody's Ratings revised Romania's government outlook to negative from stable** while affirming its long-term Issuer and Senior Unsecured Ratings at Baa3, being the **last rating agency to review Romania's outlook.**

This week's **external calendar** includes the **US retail sales** (Monday), the **German and eurozone ZEW Economic Sentiment Index** and **US industrial production** (Tuesday), the **Fed interest rate decision** and the **eurozone final inflation rate** (Wednesday), the **German PPI** (Thursday) and the **German Bundesrat vote on fiscal stimulus package** (Friday). The Romanian calendar includes the **current account** (Monday) and the **construction works** (Thursday).

Data spotlight: 10 – 14 March

CURRENCIES - MAJORS			
Currencies	Last	1D ch (%)	1M ch (%)
EURUSD	1.0882	0.01%	4.83%
EURCHF	0.96	-0.10%	1.31%
USDJPY	148.84	0.12%	-3.61%
GBPUSD	1.2945	0.05%	4.01%

CURRENCIES - CEE			
Currencies	Last	1D ch (%)	1M ch (%)
EURPLN	4.1815	-0.08%	0.43%
EURHUF	399.50	0.04%	-0.51%
EURCZK	25.02	0.04%	-0.08%

CURRENCIES - NBR REFERENCE				
Currencies	EUR	USD	SDR	XAU (1g)
17-Mar	4.9768	4.5625	1.2398	0.5869

CURRENCIES - RON		
	EURRON	USDRON
17-Mar	4.977	4.573
14-Mar	4.976	4.574
13-Mar	4.977	4.586

FIXED INCOME MARKET YIELDS - LOCAL				
Mid-rate	1Y	3Y	5Y	10Y
17-Mar	6.2	7.0	6.9	7.4
14-Mar	-	7.0	7.1	7.4
12-Mar	6.2	7.0	7.0	7.3

MONEY MARKET RATES - LOCAL			
ROBOR	ON	1M	3M
17-Mar	5.60	5.75	5.90
14-Mar	5.64	5.79	5.93
13-Mar	5.60	5.76	5.91

MONEY MARKET RATES - MAJORS			
Euribor	1M	3M	6M
14-Mar	2.38	2.48	2.42
13-Mar	2.37	2.50	2.39
12-Mar	2.39	2.53	2.37
USDSFOR	1M	3M	6M
14-Mar	4.35	4.38	4.61
13-Mar	4.35	4.38	4.62
12-Mar	4.35	4.39	4.62

STOCK MARKETS			
Index	Last	1D ch (%)	1M ch (%)
S&P 500	5,638.9	2.13%	-7.08%
FTSE	8,634.7	0.03%	-1.12%
Hang Seng	24,145.6	0.77%	6.74%
Bucharest BET	17,340.5	0.41%	-1.93%

Romanian Economy

- **The Romanian annual inflation remained unchanged in February, coming in above expectations**

The annual inflation remained unchanged, at 5.0% in February, coming in above expectations [UniCredit: 4.8%; Consensus: 4.75%], although core inflation tempered slightly, in line with our forecast, to 5.0%yoy from 5.1%yoy in January. The forecasting error came from a sharp jump in the gas price (+9.1%mom), which we included under risks but did not embed in our forecast given the uncertainty regarding the time of implementation. In December 2024, the press reported a probable 11-15% increase for the gas price from the existing levels up to the imposed cap (with an impact we estimated at +0.5pp for 2025 annual inflation), due to the fact that as of January 2025 suppliers no longer buy at a pre-established price, but need to acquire the gas from the free market or deliver from their stock. Since the beginning of the year, gas prices grew by a total of 11.8%, implying that we could see increases of another 3.2% in the following months. The price of electricity was up 1.4%mom in February and the one of heating by 2.1%mom (+2%ytd and +4.9%ytd, respectively). The cap on energy prices paid by households, which was about to expire in April, was extended until the end of June 2025 for electricity prices and until the end of March 2026 for gas prices. Thus, another sharp jump in energy prices should be postponed, although some lower price adjustments are likely in the following months.

In comparison to January 2025, prices increased by 0.9%mom, with widespread rises: +0.7%mom for food products, +1.1%mom non-food products and +0.7%mom for services. The biggest increases in services prices came from

Romanian Economy (continued)

hygiene and cosmetics (+2.6%mom), other industrial-type services (+1.8%mom) and medical care (+1.5%mom), while the most noticeable decline came from air transport prices (-18%mom) which have become very volatile recently (+16.6%mom in January) and from postal services (-6.3%mom). Fuel prices rose slightly by +0.8%mom and tobacco and cigarettes increased by 1.3%mom. The volatile food prices increased as well, with vegetables and tinned vegetables up 2.9%mom, edible oil, lard and fats +1.5%mom and milk and dairy +0.8%mom.

According to our calculations, annual inflation could stay close to 5% in March (if we will not have another jump in energy prices), before resuming the upward trend in April due to unfavorable base effects, with a peak at around 5.7% in August- September and a tempering thereafter to levels slightly below 5% by year-end. Our forecast continues to be subject to upside risks considering the likelihood of higher taxes in 2H25, the risk of an increase in electricity prices by up to 22-25% as of July which would add up to 0.9pp to annual inflation, the ongoing geopolitical tensions, along with the risk of higher oil prices. Yet, annual core inflation could still drop towards the 3.5% upper bound of the target range in 4Q25, making it possible for NBR to deliver some key rate cuts in 2H25 to support economic activity.

- **Moody's Ratings has revised Romania's government outlook to negative from stable**

Moody's Ratings has revised Romania's government outlook to negative from stable while affirming its long-term Issuer and Senior Unsecured Ratings at Baa3. The short-term issuer rating remains at Prime-3.

The decision to revise the outlook to negative reflects the deteriorating fiscal strength of Romania in the absence of additional fiscal consolidation measures. Moody's expects Romania's fiscal deficit to remain elevated at 7.7% of GDP in 2025, with only a gradual improvement in the subsequent years. This persistent deficit trajectory is expected to drive the government debt burden from 48.9% of GDP in 2023 to 59.3% in 2025, reaching 68.5% by 2028. The increasing debt levels will also weaken the government's ability to service its debt, with interest payments as a share of government revenue rising from 5.7% in 2023 to over 9% by 2029.

Compounding these challenges is a significant downward revision of growth projections for Romania, further intensifying fiscal vulnerabilities. The lack of sufficient fiscal reforms could leave Romania's overall credit profile weaker than its Baa3-rated sovereign peers. Additionally, Romania faces external pressures, including geopolitical risks stemming from its proximity to the war in Ukraine.

Despite the negative outlook, Moody's has affirmed Romania's Baa3 rating, underpinned by its moderate economic size, growth potential, and comparatively high wealth levels. The country remains an active participant in the European Union's economic framework, benefiting from trade and investment linkages that support financial stability. However, its credit profile is constrained by high

Romanian Economy (continued)

exposure to external risks and institutional weaknesses, particularly in fiscal management and governance.

Romania's long-term local and foreign-currency ceilings remain at A2, reflecting a moderate government footprint in the economy, moderate predictability of government actions and institutional reliability.

Moody's remains skeptical about the feasibility of achieving the government's targets (7% of GDP in 2025; 6.4% in 2026), citing slow implementation of fiscal reforms and limited revenue-raising capacity. Further fiscal consolidation will likely be necessary to stabilize Romania's debt burden. The country has committed to a major tax reform under its EU-funded National Recovery and Resilience Plan, which could help improve fiscal sustainability. However, the reform has been significantly delayed due to Romania's presidential elections in May 2025.

The outlook could be revised back to stable if Romania demonstrates effective fiscal discipline, implements additional consolidation measures, and strengthens spending controls to prevent excessive debt accumulation.

A downgrade is likely if the government fails to adopt meaningful fiscal consolidation measures, leading to a further deterioration in debt affordability. Additionally, a significant escalation in geopolitical risks could exert further downward pressure on Romania's credit rating.

Moody's decision underscores Romania's pressing need for fiscal reforms and prudent economic policies to maintain stability and sustain its creditworthiness.

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

The trade deficit was EUR 2.74bn in January, in line with our expectations [UniCredit: 2.7], higher by 38.5%yoy (by EUR 0.8bn) as the imports rose more than fourfold compared to exports. Compared to January 2024, both exports and imports increased by 2.4%yoy and 10.3%yoy, respectively. In January 2025, all the import categories rose, with the largest increases in import volumes for manufactured goods (+EUR 0.4bn, +16.5%), mineral fuels, lubricants and related materials (EUR 0.22bn, +30.6%yoy), machinery and transport equipment (EUR 0.12bn, +3.4%yoy), chemicals and related products (+EUR 0.08bn, +7.3%yoy), food, beverages and tobacco (EUR 0.05bn, +5.1%yoy). On the exports' side, the largest increase in volumes was seen for mineral fuels, lubricants and related materials (EUR 0.21bn, +60.5%yoy), for chemicals and related products (EUR 0.08bn,+24.7%yoy), and for food, beverages and tobacco (EUR 0.02bn, +3.5%yoy), while most of the export categories declined, with the largest decline for machinery and transport equipment (-EUR 0.1bn; -2.2%yoy). The

Romanian Economy (continued)

decline in exports of machinery and transport equipment is a common trend in the CEE region and it is caused by the weakenes in the sector in Germany, which has propagated in the context of deeply integrated supply chains in the automotive sector. Around 71% of the trade activity was with the European Union. We expect a slightly narrower trade deficit in 2025 than in the previous year, with imports slowing down due to the weaker consumption, although exports will continue to be affected by the still weak external demand.

- **The Romanian industrial production increased in January**

The Romanian industrial production increased by +2.0%mom (seasonally adjusted data) in January,

after a decline of -1.2%mom in December. All the sectors increased: manufacturing +2.0%mom, mining +1.6%mom and energy +0.7%mom. Compared to the corresponding month of 2024, the industrial production was lower by -2.5% on gross data, after +0.8%yoy in January. The prospects for industry in 2025 remain quite bleak considering that the higher US tariffs are likely to weigh on the external demand for the CEE goods and services. Although the direct impact from higher US tariffs will likely be limited, the indirect impact due to the weak growth of the main trading partners is weighing on CEE economies, in particular on manufacturing. The highest exposure is for car production and the related sectors.

- **The average net salary tempered its annual growth pace in January**

The average net salary decreased by -5.6% in January 2025 vs. December 2024, to RON 5,328 mainly due to unfavorable base effects considering the bonuses grated at the end of 2024. The annual growth pace decelerated to 9.7%yoy (from 11.1%yoy in December),. The highest net salary decreases in January were of -21.5%mom in financial service activities, except insurance and pension funding, -20%mom in printing and reproduction of recorded media, -19.4%mom in the real estate sector, -19.1%mom for extraction of crude petroleum and natural gas, and -16.6%mom for manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms. The largest increase was recorded by activities auxiliary to financial services and insurance activities (+15%mom, due to the application of legal provisions and to granting of the occasional bonuses).

Data spotlight: 10 – 14 March

European Economy

- **German industrial production increased in January**

Industrial production in Germany increased more than expected by 2%mom in January, after the -1.5%mom decline in December 2024. The main drivers were the automotive (+6.4%), machine maintenance and assembly (+15.6%) and the food industry (+7.5%). The output declined in the products made from metal (-7.7%mom) and energy (-0.5%mom). The less volatile 3M-3M comparison showed a stagnation. On a yearly basis, the German industrial output declined by 1.6%.

- **Eurozone industrial production increased in January**

Industrial production in the eurozone increased slightly by 0.8%mom in January [UniCredit: 0.5%; consensus: 1%mom], after a -0.4%mom decline in December 2024. Capital good increased sharply (+1.6%mom), while capital good increased to a lower extent (+0.5%mom). Yet, the other cathegories registered decreases, especially for non-durable consumer goods (-3.1%mom), energy (-1.2%mom) and durable consumer goods (-0.2%mom). In yearly term, the German industrial output was stable (0%yoy), after 20 months of staying in negative territory..

Data spotlight: 10 – 14 March

US Economy

- **US job openings increased in January**

The number of job openings (JOLTS) increased by 232,000 to 7.74 million in January [Unicredit: 7.80; consensus: 7.63], up from 7.51 million in December which was the lowest level in 4Q 2024. The rise was mainly driven by retail trade (+143k), finance and insurance (+77k), and health care and social assistance (+58k). During the month, job openings decreased the most in professional and business services (-122k).

- **US headline and core inflation eased in February**

The US CPI tempered to 2.8%yoy in February [UniCredit and consensus: 2.9%], the first decline since September 2024, after 3.0%yoy in January. The prices declined for energy (-0.2%yoy) following a 1%yoy rise in January, for gasoline (-3.1%yoy vs. -0.2%yoy) and for fuel oil (-5.1%yoy vs. -5.3%yoy), while the natural gas price accelerated (6% vs. 4.9%). Yet, inflation accelerated for food (2.6% vs. 2.5%). The monthly CPI rose by 0.2% [UniCredit and consensus: 0.3%mom], after +0.5%mom in January. Core inflation (excl. food and energy) eased more than expected as well, to 3.1%yoy [UniCredit and consensus: 3.2%] from 3.3%yoy in January, after rising 0.2%mom (+0.4%mom in January). It is the lowest annual core inflation since April 2021.

However, UniCredit expects CPI core goods inflation to rise notably as the tariffs work their way through the economy. This is because 1. the tariffs proposed by the Trump administration are of a greater scale and more broad-based than in 2018-19, even after accounting for the likelihood that not all of what has been proposed will be implemented (USD appreciation typically only partly offsets a tariff rise on prices for imported goods); 2. inflation expectations of households and firms may be more brittle because they experienced high inflation in 2021-23 (inflation expectations influence future inflation by affecting wage and price setting decisions); 3. reduced immigration will tighten the labour market, which could increase second-round effects. Still, year-on-year headline and core inflation rates are likely to gradually ease through May, thanks to base effects and lags in services inflation. This could provide a window for the Fed to cut rates to support economic activity. This window is likely to close from the autumn, with core inflation above target.

- **Trump's 25% tariff on aluminum and steel imports came into effect**

A 25% tariff on aluminum and steel imports, which was announced on 10 February, came into effect on 12th March. Aluminum inventories are declining due to the frontloading of demand ahead of higher US tariffs, pushing up aluminum prices. In the medium term, the price impact of such shifts will be less clear as a result of possibly lower US demand due to tariffs but possibly higher demand in Europe due to rising defense spending.

Data spotlight: 10 – 14 March

US Economy (continued)

- **The US producer prices were unchanged in February, in spite of expectations of a 0.3%mom increase**

In February, the US producer prices were unchanged in comparison to the previous month, after an upwardly revised +0.6%mom in January and below the expectations of a slight increase [UniCredit and consensus: +0.3%mom]. It is the lowest rate since July 2024, with prices of services falling 0.2%, due to a 1.4% fall in margins for machinery and vehicle wholesales. Yet, the prices of goods increased for the fifth consecutive month, by 0.3%, mainly due to the 53.6% jump in the prices of chicken eggs. In yearly terms, producer prices rose 3.2% [consensus: 3.3%], tempering from an upwardly revised 3.7% in January. In spite of this stable release, pricing pressure for core goods is building in the US, mainly due to already imposed or anticipated higher tariffs and the massive frontloading of import demand, which has led to (demand-pull) inflation. While the latter would be very temporary, the impact of higher tariffs on inflation would last at least a year and possibly longer if the tariffs are staggered and/or there are second-round effects through wages and other prices.

- **University of Michigan consumer sentiment for the US plunged**

The University of Michigan consumer sentiment for the US dropped to 57.9 in March 2025, marking the lowest point since November 2022, down from 64.7 in February and significantly lower than the market predictions of 64.0 [UniCredit: 63.0], according to preliminary estimates. Sentiment decreased for the third consecutive month, with numerous consumers pointing to the elevated level of uncertainty surrounding policy and various economic factors. Although current economic conditions remained relatively stable (63.5 vs. 65.7), expectations for the future worsened (54.2 vs 64) across several areas of the economy, such as personal finances, labor markets, inflation, business conditions, and stock markets. At the same time, inflation expectations escalated, with the year-ahead measure increasing to 4.9%, the highest level since November 2022, up from 4.3%. Furthermore, inflation expectations for the next five years jumped to 3.9% from 3.5% in February, posting the largest mom rise recorded since 1993.

Data spotlight: 10 – 14 March

International and Romanian Markets

- **The EURRON was stable last week**

The EURRON continued to trade within a narrow range (4.9760-4.9778) last week, ending Friday's trading session close to the lower bound. In spite of an eventful period on the political front, the pair was surprisingly stable.

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

The ROBOR was stable last week, experiencing only occasional marginal moves. The ON ROBOR ended the week at 5.60%, while the 1M and 3M ROBOR were at 5.78% and 5.92%, respectively.

- **MinFin auctions**

Last Monday, the Ministry of Finance held an auction for a 5.4Y T-bond. The bids were above the planned amount, at RON 1486.1mn vs. RON 800mn and MinFin decided to place RON 1083.0mn. The average accepted yields was 7.38% (max 7.39%), 1bp below the previous reopening one month before. The MinFin also sold 11M T-bills, the bids slightly exceeding the planned amount, at RON 1079.8mn vs. RON 1000mn, while MinFin placed RON 882.9mn. The average accepted yields was 6.64% (max 6.67), in line with the one at a similar auction two weeks before.

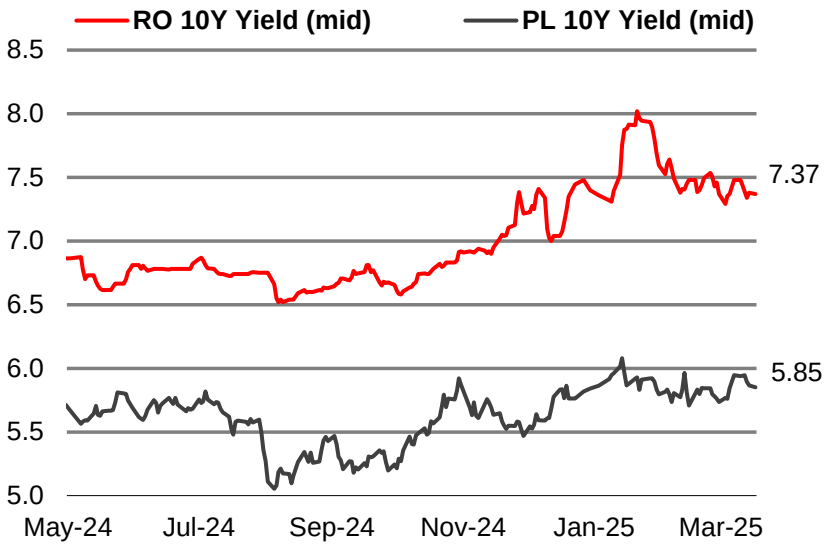
On Thursday, the Ministry of Finance held an auction for an 8.6Y T-bond. The bids were above the planned amount, at RON 875mn vs. RON 400mn and MinFin decided to place RON 505.1mn. The average accepted yields was 7.39% (max 7.39%)..

- **FX markets**

The announcement in the first week of March of a massive infrastructure and defense plan by German CDU leader Friedrich Merz, coupled with the EU's ReArm Europe defense plan, has led to a reconsideration of growth forecasts in the eurozone and a repricing of ECB monetary policy. The prospect of massive fiscal spending in Germany has also left its mark on the common currency, with EUR-USD rising from below 1.04 to a high of close to 1.09. The sudden move has also been supported by expectations of a more dovish Fed. UniCredit sees downside risks to EUR-USD following the recent rally for several reasons: 1. forward rates are now implying three rate cuts by the Fed by December, exposing EUR-USD to some repricing if the Fed's easing proves to be less intense, as it still expects (two more cuts, at most). 2. if President Trump announces tariffs against eurozone exports to the US on 2 April, this might also take some shine off the common currency, especially if a 25% increase is confirmed. At its current level, EUR-USD has probably gained sufficient cushion to the downside to absorb a partial retreat and remain above 1.05 and a drop towards parity has become less likely. Over the medium term, prospects of firmer growth in the eurozone suggest that EUR-USD is unlikely to return to where it was three weeks ago.

Focus Ahead: 17 – 21 March

MinFin Issues



Data Source: Thomson Reuters

- Last week, the Romanian yields decreased along the curve, by up to 14bp at the long end, up to 12bp on the belly and only 3bp at the short end of the curve, according to the fixing levels. The move defied the upward pressure visible at the global level and was likely due to the pricing out of some of the downgrade risks after the local political developments increased the probability of a pro-European course and continued fiscal adjustment after the presidential elections in May.
- MinFin will issue RON 700mn in 6.4Y T-bonds on Monday and RON 300mn in 15.1Y T-bonds on Thursday.

BOND ISSUES - MARCH

ISIN Code	Auction Date	Maturity Date	Months	Planned Amount (mn)	Currency	Total Applications	Total Allocated	Yield (avg)
RO45DLJ4EE76	31-Mar-25	28-Apr-27	25	500lei				
RODFIUK7ZV55	27-Mar-25	25-Apr-35	123	500lei				
ROXNS8ONSUB3	24-Mar-25	27-Jul-26	16	600lei				
ROCKMXSWCFH2	20-Mar-25	30-Apr-40	184	300lei				
ROOFOYB15203	17-Mar-25	27-Jul-31	77	700lei				
ROWLVEJ2A207	13-Mar-25	30-Oct-33	105	400lei		875	505	7.39
ROYNCLHRHVV6	10-Mar-25	29-Jul-30	66	800lei		1,486	1,083	7.38
RODIQFSA4XE9	10-Mar-25	23-Feb-26	11	1,000lei		1,080	883	6.64
ROCDG04X8WJ7	6-Mar-25	26-Apr-28	38	700lei		1,731	1,319	7.27
ROTM7EDD92S2	6-Mar-25	31-Jul-34	114	600lei		682	600	7.63
RO4YPMZAGV71	3-Mar-25	29-Sep-25	7	800lei		1,821	800	6.4
ROJVM8ELBDU4	3-Mar-25	25-Apr-29	50	500lei		1,529	780	7.2

Focus Ahead: 17 – 21 March

Data Calendar

Date	Country	Indicator/Event	Period	UniCredit forecast	Consensus	Previous
17-Mar-2025	RO	Current Account	Jan	-2.3		-2.9
	US	Retail Sales	Feb	0.7	0.7	-0.9
18-Mar-2025	GE	Zew Economic Sentiment	Mar			32.0
	EMU	Zew Economic Sentiment	Mar			28.0
	US	Industiral Production mom	Feb			0.4
19-Mar-2025	EMU	Inflation Rate Final	Feb			2.5
	US	Fed Interest Rate decision		4.5	4.5	4.5
20-Mar-2025	GE	PPI mom	Feb			-0.1
	RO	Construction works	Jan			3.3
21-Mar-2025	GE	Bundesrat votes on fiscal stimulus package		Approve		

Data Source: Bloomberg

UniCredit Bank

Economic Forecasts

MACROECONOMIC DATA AND FORECASTS

	2021	2022	2023	2024E	2025F	2026F
GDP (EUR bn)	242.3	281.7	324.4	356.5	384.1	405.0
Population (mn)	19.2	19.0	19.1	19.1	19.0	19.0
GDP per capita (EUR)	12,601	14,790	17,024	18,711	20,188	21,321
Real economy, change (%)						
GDP	5.5	4.0	2.4	0.9	1.9	2.6
Private Consumption	7.0	5.1	3.0	5.5	3.0	2.5
Fixed Investment	4.0	5.4	14.5	2.2	2.7	3.5
Public Consumption	-0.6	-1.4	6.3	-0.2	-0.4	-0.8
Exports	12.6	9.3	-0.8	-3.3	2.4	4.8
Imports	14.6	9.3	-1.1	3.0	2.1	4.7
Monthly wage, nominal (EUR)	1175	1303	1489	1710	1805	1878
Real wage, change (%)	2.0	-2.2	3.6	9.4	1.2	2.5
Unemployment rate (%)	5.6	5.6	5.6	5.3	5.2	5.4
Fiscal accounts (% of GDP)						
Budget balance	-7.1	-6.4	-6.5	-8.7	-7.0	-6.4
Primary balance	-5.6	-4.3	-4.6	-6.6	-4.8	-4.0
Public debt	48.3	47.9	48.8	54.9	58.4	60.3
External accounts						
Current account balance (EUR bn)	-17.4	-26.8	-21.5	-29.4	-28.7	-28.2
Current account balance/GDP (%)	-7.2	-9.5	-6.6	-8.2	-7.5	-7.0
Extended basic balance/GDP (%)	-1.8	-4.1	-1.9	-5.6	-4.3	-3.6
Net FDI (% of GDP)	3.7	3.3	2.0	1.6	1.6	1.8
Gross foreign debt (% of GDP)	58.8	54.6	56.5	57.1	56.9	58.1
FX reserves (EUR bn)	40.5	46.6	59.8	62.1	59.8	59.1
Months of imports, goods & services	4.3	4.0	5.1	5.1	4.8	4.5
Inflation/Monetary/FX						
CPI (pavg)	5.0	13.7	10.5	5.6	5.1	3.7
CPI (eop)	8.2	16.4	6.6	5.1	4.6	3.3
Central bank target	2.50	2.50	2.50	2.50	2.50	2.50
Central bank reference rate (eop)	1.75	6.75	7.00	6.50	5.75	4.50
3M money market rate (Dec avg)	2.83	7.66	6.25	5.91	5.48	4.63
USDRON (eop)	4.37	4.63	4.50	4.78	4.97	4.95
EURRON (eop)	4.95	4.95	4.97	4.97	5.07	5.15
USDRON (pavg)	4.16	4.68	4.57	4.60	4.86	4.98
EURRON (pavg)	4.92	4.93	4.95	4.97	5.01	5.12

Legal Notices

Glossary

A comprehensive glossary for many of the terms used in the report is available on our website: https://www.investmentinsights.unicredit.eu/glossary.

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