Macroeconomic and Strategic Analysis

UniCredit Weekly Report

Romania about to have a new majority government

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Weekly briefing

In **US, the retail sales decreased in May** (-0.9%mom), more than expected [UniCredit: -0.5; Consensus: -0.7], following a downwardly revised 0.1% drop in April. **It was the biggest decrease in four months, as consumers pulled back ahead of expected tariffs. The Fed decided to leave the interest rates on hold at 4.25-4.50% at its June meeting,** for the fourth time in a row, as widely expected. In its updated projections, **the Fed downgraded its GDP growth forecast for 2025 to 1.4%** (vs. 1.7% in March) and for 2026 to 1.6% (vs. 1.8%), while the 2027 estimate was unchanged at 1.8%. **The unemployment rate is now expected at 4.5% in 2025 and 2026** (vs. 4.4% and 4.3%, respectively). In term of inflation, **the Fed sees the PCE rate at 3.0% in 2025** (vs. 2.7%), easing to 2.4% in 2026 (vs. 2.2%), and 2.1% in 2027 (vs. 2.0%). Last Saturday, the **US launched Operation Midnight Hammer, deploying 14 "bunker buster" bombs to strike three key nuclear sites in Iran, at Fordo, Natanz and Isfahan, officially entering the Israel-Iran conflict.**

The **eurozone ZEW economic sentiment indicator surged by 23.7 points to 35.3 in June**, from 11.6 in May, marking the second big increase since the sharp drop two months before. In June, about 49.7% of the surveyed analysts expected no changes in economic activity (vs. 55.8% in May), **42.8% saw an improvement** (vs. 27.9% in May) and 7.5% anticipated a deterioration (vs. 16.3 in May). **The German ZEW increased to 47.5 points in June from 25.2 points in May**, marking its highest level since March's three-year peak of 51.6. **The annual inflation in the eurozone (final) eased to 1.9% in May**, unchanged from the flash estimate which came in lower than expected. **This is the first time since September 2024 that inflation has dropped below the European Central Bank's 2.0% objective.**

In **Romania**, **the construction sector has been on a positive trend and was up 6.9%yoy** (gross data) **in 4M2025**, with increases for engineering works (+12.3%) and residential buildings (+5.9%), while nonresidential buildings decreased by 1.6%yoy. **An agreement for a majority government was signed today** by the Social Democrats (PSD), the Liberals (PNL), the Save Romania Union (USR), the Hungarian Minority Party (UDMR) the other national minorities. The parties have agreed **on a rotating government** with a liberal Prime Minister during June 2025-April 2027 and a social democrat Prime Minister during April 2027-December 2028. **The Prime Minister nominated by President Nicușor Dan last week is Ilie Bolojan**, National Liberal Party (PNL) leader.

This week's calendar is lighter, with **the EMU** and **German PMI indicators** (Monday), the **ifo Business Climate Index for Germany** (Tuesday), **GfK Consumer Confidence for Germany** and **the final estimate for US GDP Growth Rate in 1Q 25** (Thursday), **the European Commission Economic Sentiment Indicator, US Core PCE price index** (Friday). In Romania, there no important data releases, except for the monetary indicators for May (Thursday).

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Data spotlight: 16 -20 June

CURRENCIES - MAJORS			
Currencies	Last	1D ch (%)	1M ch (%)
EURUSD	1.1463	-0.46%	1.16%
EURCHF	0.94	-0.37%	-0.36%
USDJPY	147.71	1.10%	2.80%
GBPUSD	1.3376	-0.56%	-0.33%

CURRENCIES - CEE			
Currencies	Last	1D ch (%)	1M ch (%)
EURPLN	4.2760	0.07%	0.73%
EURHUF	404.25	0.41%	0.31%
EURCZK	24.86	0.11%	-0.18%

CURRENCIES - NBR REFERENCE				
Currencies	EUR	USD	SDR	XAU (1g)
23-Jun	5.0453	4.3983	1.2676	0.5603

CURRENCIES - RON		
	EURRON	USDRON
23-Jun	5.044	4.400
20-Jun	5.029	4.364
19-Jun	5.029	4.375

FIXED INCOME MARKET YIELDS - LOCAL				
Mid-rate	1Y	3Y	5Y	10Y
23-Jun	7.0	7.2	7.5	7.3
20-Jun	7.0	7.3	7.5	7.4
18-Jun	7.0	7.3	7.6	7.4

MONEY MARKET RATES - LOCAL			
ROBOR	ON	1M	3M
23-Jun	5.95	6.95	7.05
20-Jun	5.80	6.85	7.09
19-Jun	5.80	6.85	7.09

MONEY MARKET RATES - MAJORS			
Euribor	1M	3M	6M
20-Jun	1.87	2.03	2.04
19-Jun	1.90	2.04	2.05
18-Jun	1.88	2.01	2.06
USDSFOR	1M	3M	6M
20-Jun	4.30	4.34	4.38
19-Jun	-	-	-
18-Jun	4.30	4.34	4.38

STOCK MARKETS			
Index	Last	1D ch (%)	1M ch (%)
S&P 500	5,967.8	-0.22%	0.07%
FTSE	8,757.7	-0.19%	0.21%
Hang Seng	23,689.1	0.67%	0.37%
Bucharest BET	18,671.2	-0.82%	6.34%

Romanian Economy

- **Romania about to have a new government led by PM Ilie Bolojan**

An agreement for a majority government was signed today by the Social Democrats (PSD), the Liberals (PNL), the Save Romania Union (USR), the Hungarian Minority Party (UDMR) the other national minorities. The parties have agreed on a rotating government with a liberal Prime Minister during June 2025-April 2027 and a social democrat Prime Minister during April 2027-December 2028. The Prime Minister nominated by President Nicușor Dan last week is Ilie Bolojan, National Liberal Party (PNL) leader. Thus, a new government led by Mr. Bolojan is to be invested shortly, with 311 votes, comfortably above the 233 required for a majority. PSD will have 6 ministers, PNL 4, USR 4, UDMR 2.

Some of the details of the governing programme were published as well, including better revenue collection and more efficient public spending, more efficient state companies, a decrease of public sector employees, cuts to excessive bonuses and incentives, reforms for special pensions (an increase of the retirement age of magistrates to 65 and capping earnings from non-contributory pensions). The governing programme also includes higher taxes affecting several sectors, such as: two VAT rates, 9% for food, medicine, energy and firewood, while all other products and services will have a VAT of 19%; elimination of VAT facilities for real estate transactions; an increase of the dividend tax to 16% from 10%; an increase of excise duties by 10%;

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Data spotlight: 16 -20 June

Romanian Economy (continued)

10% social health insurance contribution (CASS) paid for pensions over RON 4,000 (EUR 795); higher property taxes for individuals; taxation of short-term property rentals, of income from social media platforms and others.

Our main highlights are:

- A majority government committed to implementing the fiscal adjustment is an important first step, although a rotating government is not the best outcome.
- The negotiations were cumbersome and the risk of a breakup of the coalition will persist considering the members' conflicting views. Yet, we continue to believe that there will be no major divergence from the fiscal adjustment path (aside from some negotiations for the concrete measures), considering the risks associate with such a scenario.
- There is a risk that the 2025 deficit will be even above the latest estimate of 7.5% of GDP (7% of GDP initial target), considering that some measures will be implemented as of August, some in autumn and some require changes to the legislation and might face backdrops if contested at the Constitutional Court.
- We expect Romania to be able to maintain its investment grade rating, if there will be no major delays in implementation of the programme and the first improvements will become visible. Not meeting this year's target should be properly communicated in advance, most probably along with the renewed commitment to a 6.4% of GDP target in 2026, basically shifting the burden to next year.
- Although the burden was spread across sectors, a tighter fiscal policy is likely to lead to lower economic growth by limiting consumption and private investment, with growth of only 1% in 2025 and 1.8% in 2025 according to our latest estimate (down from 1.5% and 2.1%, respectively).
- The annual inflation will be by at least 1pp above the upper bound of the target range at the end of 2025, with risks that inflation will not enter the target range in 2026 either, in case of new VAT increases next year or supply-side shocks. Thus, we see increasing risks that a key rate cut will only be possible in 2026.

The construction sector increased by 6.9%yoy in 4M2025

The construction works were down by 0.5%yoy in April 2025 (s.a. data), mainly due to the negative evolution of non-residential buildings (-6.2%yoy), while the residential buildings decreased to a lower extent (-1.6%yoy). Engineering works recorded an increase (+3.2%yoy).

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Data spotlight: 16 -20 June

Romanian Economy (continued)

In comparison to March 2025, the total volume of construction works increased by 2%mom (seasonally adjusted data) due to increases in residential buildings (+18.4%mom) and in non-residential buildings (+0.6%mom), while engineering works were down by 3.8%mom.

The construction sector has been on a positive trend and was up 6.9%yoy (gross data) in 4M2025 vs. 4M2024, with increases for engineering works (+12.3%) and residential buildings (+5.9%), while nonresidential buildings decreased by 1.6%yoy. We continue to expect the construction sector to experience a mild growth in 2025 overall, after the contraction experienced in 2024 (-5.9%yoy according to the high-frequency gross data).

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Data spotlight: 16 -20 June

European Economy

- **Eurozone and German investor morale (ZEW) surged in June**

The eurozone ZEW economic sentiment indicator surged by 23.7 points to 35.3 in June, from 11.6 in May, marking the second big increase since the sharp drop two months before. In June, about 49.7% of the surveyed analysts expected no changes in economic activity (vs. 55.8% in May), while 42.8% saw an improvement (vs. 27.9% in May) and 7.5% anticipated a deterioration (vs. 16.3 in May).

The eurozone index reflected the sharp rise of the German ZEW, which increased to 47.5 points in June from 25.2 points in May, marking its highest level since March's three-year peak of 51.6. "Confidence is picking up. In June 2025, the ZEW indicator sees another tangible improvement. Recent growth in investment and consumer demand have been contributing factors. This development also seems to strengthen the assessment that the fiscal policy measures announced by the new German government can provide a boost to the economy. Combined with the recent interest rate cuts by the ECB, this could bring economic stagnation in Germany, which has lasted for almost three years, to an end," said ZEW President Professor Achim Wambach. The current economic conditions index improved by 10.0 points to -72.0, the sharpest increase in this measure since April 2023.

- **Eurozone headline inflation eased in May in final estimates**

The annual inflation in the eurozone (final) eased to 1.9% in May, unchanged from the flash estimate which came in lower than expected. This is the first time since September 2024 that inflation has dropped below the European Central Bank's 2.0% objective. This evolution was driven by a sharp decline in service inflation (3.2% vs. 4.0% in April) along with energy prices, which continued to decline, falling to 3.6%yoy while inflation for non-energy industrial goods remained unchanged at 0.6%. Prices for food, alcohol and tobacco accelerated (3.3% vs. 3% last month). Core inflation (excl. volatile food and energy) fell to 2.3%yoy from 2.7% in April, beating expectations [UniCredit and consensus: 2.4]. On a monthly basis, the CPI was unchanged (0% in May). UniCredit expects the ECB to cut the deposit rate to 1.75% by September, reaching the lower bound of its estimated "neutral" range.

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Data spotlight: 16 -20 June

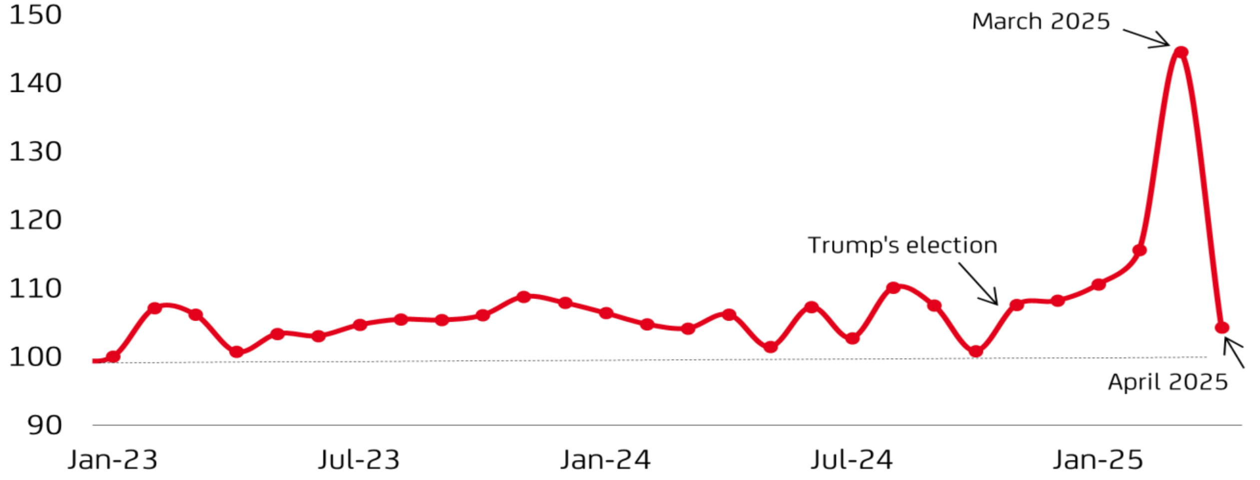
European Economy (continued)

■ Eurozone exports to the US: boom and bust

US tariffs have meaningfully distorted global trade flows to the US in the run up to and in the aftermath of "Liberation Day" (2 April). Frontloading of exports to the US up until March was sizeable, fueling economic activity in countries where exporters have meaningful exposure to the US market. The expected subsequent correction seems to be happening rapidly. The eurozone marks no exception and data published by Eurostat last Friday indicate that exports to the US dropped heavily in April.

HEAVY EXPORT ADJUSTMENT IN APRIL, WHICH MIGHT NOT BE OVER

EUROZONE MERCHANDISE EXPORTS TO THE US, VOLUME INDEX, SEASONALLY ADJUSTED (JAN 2023=100)



Source: Eurostat, The Investment Institute by UniCredit

The chart shows the development of eurozone goods exports to the US in terms of volume. Exports increased steadily following the election of Donald Trump as US president in November 2024, reflecting strong demand by US importers before the implementation of tariffs. The trajectory of eurozone exports peaked in March, just before "Liberation Day", when they rose about 40% above their pre-election level. Aggressive frontloading of exports to the US fuelled strong growth of eurozone GDP in 1Q25 (+0.6% qoq). Among the main European countries, Germany and Italy benefitted the most, while frontloading was muted in France and Spain. Ireland, where GDP surged by almost 10% qoq, stands out as the eurozone country recording the largest boost amid skyrocketing pharma exports.

It is not surprising that the "Liberation Day" would trigger a correction. What is interesting, however, is that the setback appears to be unfolding quickly. In April, eurozone exports to the US collapsed by almost 30% mom, basically erasing the gains recorded since the election of Mr. Trump. And this might not be the end of the adjustment, although the truce on "reciprocal" tariffs, which expires on 8 July, makes it difficult to predict the short-term evolution of US demand for eurozone goods.

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Data spotlight: 16 -20 June

European Economy (continued)

Amid ongoing high uncertainty, it appears increasingly likely that the surprising strength in eurozone GDP recorded in the first quarter will correct in the second quarter, when activity might shrink slightly if the downward adjustment in Ireland proves particularly sizeable. Extreme volatility in hard data in 1H25 would mask an underlying trend of slow, but positive, GDP growth. Weakness, but no recession, is likely to continue in 2H25, when the drag from tariffs will be cushioned by a further improvement in real disposable income of households, looser monetary policy and an accelerating impulse from NGEU investment. The German fiscal bazooka will gradually start supporting activity from next year only.

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Data spotlight: 16 -20 June

US Economy

- **US retail sales declined in May**

The US retail sales decreased in May (-0.9%mom), more than expected [UniCredit: -0.5; Consensus: -0.7], following a downwardly revised 0.1% drop in April. It is the biggest decrease in four months, as consumers pulled back ahead of expected tariffs. Sales at motor vehicle & parts dealers recorded the largest decline (-3.5%), followed by building material & garden equipment suppliers (-2.7%) and gasoline stations (-2%). UniCredit thinks this largely reflects an after-effect after car sales were brought forward to March, before the introduction of tariffs, and partly due to consumer caution regarding large purchases amid heightened economic uncertainty. If so, this would suggest that the US consumer is still in decent shape. Consumers pulled back in spending, exerting more caution for making purchases.

- **The Fed kept the policy rate on hold at its June meeting**

The Fed decided to leave the interest rates on hold at 4.25-4.50%, for the fourth time in a row, as widely expected. This comes is due to the fact that policymakers are cautious in order to properly assess the economic effects of President Trump's policies, particularly those pertaining to tariffs, immigration, and taxation. Officials also pointed out that, despite a decline, there is still a high degree of uncertainty regarding the economy. The FOMC statement mentioned that recent indicators point to sustained robust economic expansion, even if changes in net exports have impacted the statistics. The labor market is still robust, and the unemployment rate is still low. Inflation is still a bit high.

In its updated projections, the Fed downgraded its GDP growth forecast for 2025 to 1.4% (vs. 1.7% in March) and for 2026 to 1.6% (vs. 1.8%), while the 2027 estimate was unchanged at 1.8%. The unemployment rate is now expected at 4.5% in 2025 and 2026 (vs. 4.4% and 4.3%, respectively). In term of inflation, the Fed sees the PCE rate at 3.0% in 2025 (vs. 2.7%), easing to 2.4% in 2026 (vs. 2.2%), and 2.1% in 2027 (vs. 2.0%).

UniCredit maintains its view that, the Fed will likely focus on its price-stability goal, and it expects just one rate cut this year, in 4Q25.

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Data spotlight: 16 -20 June

International and Romanian Markets

- **EURRON traded closer to 5.05, up from 5.0152 in the prior week**

The EURRON traded last week in the range of 5.017-5.0495 with a with an upward bias in the last trading sessions due to increased market worries, considering that the mandate of the interim government was ending on 20 June and there was no clear agreement for a new government majority. Thus, the pair touched levels close to 5.05 during Friday's trading session, before returning to 5.0286 at the end of the day, after President Nicușor Dan nominated Ilie Bolojan as Prime Minister, boosting hopes for an agreement. The pair could stay volatile these days due to the ongoing discussions on the new fiscal package, but we could see calmer trading sessions once we have a government sworn in and the dust settles. The EURRON is likely to remain exposed to both internal and external uncertainties, but we expect the 5.00-5.10 range to prevail.

- **The ROBOR curve decreased last week**

The ROBOR curve decreased along the curve last week: the ON ROBOR ended the week lower by 100bp, at 5.74% (from 6.74% a week before), the 1W ROBOR decreased by 23bp to 6.53% (from 6.76%), the 1M ROBOR dropped to 6.83% (from 6.98%), and the 3M ROBOR to 7.09% (from 7.15%). The short end of the curve decreased due to improved market liquidity after the NBR continued the repo operations, injecting RON 2bn last Monday, which was the equivalent of 27% of the sum requested by the market (RON 7.3bn). Moreover, this downward movement of ROBOR rates comes as most banks have met the mandatory reserve requirements of the current holding period, freeing more liquidity. We continue to expect ROBOR rates for 1M and above to remain above the 6.50% key rate for longer. At the same time, we could see higher ON ROBOR rates due to the start of a new reserve holding period this Tuesday.

- **MinFin auctions**

Last Monday, the Ministry of Finance held an auction for 8.1Y T-bonds for which the bids exceeded the planned amount, at RON 854.6mn vs. RON 400mn and MinFin decided to place RON 613.5mn. The average accepted yields was 7.55% (max 7.56%), higher by 7bp vs. the previous reopening 2 months before.

Last Thursday, the Ministry of Finance held two auctions for T-bonds, one with maturity of 6.1Y and the second with 1.8Y. For the 6.1Y T-bond the bids were above the planned amount, at RON 1042.1vs. RON 400mn, allowing MinFin to place 788mn. The average accepted yields was 7.51% (max 7.52%), 1bp higher than the previous auction almost two months before. The bids for the 1.9Y T-bond were above the planned amount as well, at RON 2194.8 vs. RON 400mn, allowing MinFin to place 1399.9mn. The average accepted yields was 7.33% (max 7.34%), 10bp higher than previous auction one month ago.

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Data spotlight: 16 -20 June

International and Romanian Markets

- **FX markets**

The US dollar did not benefit from another steady FOMC meeting outcome. Forward rates are still reflecting over 50bp worth of Fed easing by December (UniCredit expects 25bp). Investors will probably focus on new developments in the US tariff dispute with Europe and China. Meanwhile, the USD is set to remain broadly weak, with the EURUSD moving towards new highs above 1.16.

- **The US enters the Israel-Iran conflict**

Last Saturday, the US launched Operation Midnight Hammer, deploying 14 "bunker buster" bombs to strike three key nuclear sites in Iran, at Fordo, Natanz and Isfahan. The goal was to annihilate Teheran's nuclear enrichment capacity. The direct involvement of the US in the conflict marks a major escalation of tension with Iran. Whether this event is the peak of the Israel-Iran crisis or the beginning of a wider conflict is an open question. Now, the ball is in Iran's court. Teheran can opt either to deescalate tensions, possibly with targeted, symbolic and pre-announced strikes against US military targets in the region, or to wage all-out war, possibly by also destabilising shipping lanes in the Strait of Hormuz – a vital chokepoint in energy supply chains. Yesterday, the Iranian parliament voted to close the strait, but the final decision lies with Iran's Supreme National Security Council. Given this uncertainty, Brent prices temporarily surged above 80/bbl.

Located between the Persian Gulf and the Gulf of Oman, the Strait of Hormuz is a tiny passage is of vital importance to the global oil market because it provides the only sea route for ships passing from the Persian Gulf to the open ocean. About 20% of global oil supply (roughly 21mb/d) goes through it. At the moment, there are no real alternatives to oil shipping through the Strait of Hormuz, but the passage has never been closed so far – even if military skirmishes involving Iran and regional actors (and also the US) have happened frequently over the last few decades.

UniCredit reiterates its baseline scenario of a short conflict in the Middle East, with no major repercussions for the oil market. Iran is in a rather weak position, having lost its ability to project power regionally through proxies in Yemen, Gaza, Syria and Lebanon. The survival of the Iranian regime would be seriously compromised by a further escalation of tensions. At the same time, the US and Arab countries would prefer a ceasefire and a negotiated deal with Teheran, thus rebalancing somewhat Israel's growing regional hegemony. In such a scenario, oil prices would still face short-term volatility but would move gradually below USD 70/bbl as a result of the supply glut that characterises the market at the moment.

However, Iran's weakness might induce the regime to opt for extreme actions if it perceives that its fall is nearing and that it has is little to lose. In this case, it could opt to disrupt global oil markets, with oil prices breaking through USD 100/bbl and the final outcome depending on how long a crisis in the Strait of Hormuz would last.

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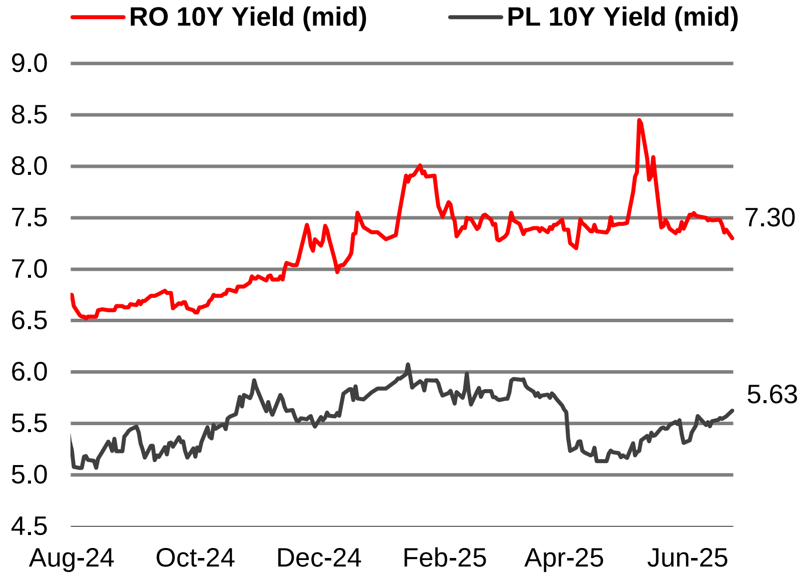
Focus Ahead: 23 – 27 June

MinFin Issues



Data Source: Thomson Reuters

- According to the fixing levels, the Romanian yields decreased slightly along the curve last week, with 3Y dropping by 1bp, 5Y by 4bp and 10Y by 11bp. Yields could stabilize and even decrease to some extent considering that the new government shows commitment to the fiscal adjustment and that ECOFIN postponed its deadline by four months, to 5 October, giving more time for the new government to confirm and implement necessary fiscal measures before deciding on whether Romania can maintain is access to EU funds. Upward pressure is still possible in case of difficulties or delays in implementing the fiscal plan.
- The MinFin will issue RON 400mn in 5.1Y T-bonds on Monday and RON 400mn in 9.8Y T-bonds on Thursday.

BONDS ISSUES - JUNE								
ISIN Code	Auction Date	Maturity Date	Months	Planned Amount (mn)	Currency	Total Applications	Total Allocated	Yield (avg)
ROCDG04X8WJ7	30-Jun-25	26-Apr-28	34	400	lei			
RODFIUK7ZV55	26-Jun-25	25-Apr-35	120	400	lei			
ROYNCLHRHVV6	23-Jun-25	29-Jul-30	62	400	lei			
RO45DLJ4EE76	19-Jun-25	28-Apr-27	23	400	lei	2,195	1,400	7.33
ROOFOYB15203	19-Jun-25	27-Jul-31	74	400	lei	1,042	788	7.51
ROPG9LZUB0O2	16-Jun-25	27-Jul-33	99	400	lei	855	614	7.55
ROXL7LT7QZ66	12-Jun-25	29-Apr-30	59	500	lei	939	604	7.52
ROZBOC49U096	12-Jun-25	30-Oct-28	41	500	lei	656	506	7.46
RO52CQA3C829	10-Jun-25	29-Sep-32	89	400	lei	975	805	7.5
ROJVM8ELBDU4	5-Jun-25	25-Apr-29	47	500	lei	845	595	7.54
ROGAV6FX8DQ2	2-Jun-25	27-May-26	12	400	lei	441	0	-
ROTM7EDD92S2	2-Jun-25	31-Jul-34	112	400	lei	1,112	937	7.54

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Focus Ahead: 23 – 27 June

Data Calendar

Date	Country	Indicator/Event	Period	UniCredit forecast	Consensus	Previous
23.06.2025	GE	Composite PMI (index)	Jun	49.1		48.5
	GE	Services PMI (index)	Jun	48	47.8	47.1
	GE	Manufacturing PMI (index)	Jun	48.5	48.8	48.3
	EMU	Composite PMI (index)	Jun	50.5	50.5	50.2
	EMU	Services PMI (index)	Jun	50.1	50	49.7
	EMU	Manufacturing PMI (index)	Jun	49.6	49.7	49.4
24.06.2025	GE	Ifo business climate (index)	Jun	87.9	88	87.5
	GE	Ifo expectations (index)	Jun	89.5	89.5	88.9
	GE	Ifo current assessment (index)	Jun	86.3	86.5	86.1
26.06.2025	GE	Gfk Consumer Confidence	Jul		-19	-19.9
	RO	Money Supply (M3, yoy%)				10.1
	US	GDP growth rate final	Q1		-0.2	-0.2
27.06.2025	EMU	European Commission consumer confidence (index)	Jun	95	95.5	94.8
	US	PCE Core Inflation (% yoy)	May	2.6		2.1
	US	PCE Core Inflation (% mom)	May	0.1		0.1

Data Source: Bloomberg

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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

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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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