



January 2014  
**View Pick**  
**ROMANIA Capital Market**

## Key developments in Romania 2013

### Domestic Developments

GDP has grown in 1-3Q by 2.7% year on year or 1.8% (yoy) adjusted for agriculture and is to expect FY numbers to remain close to these. The uptrend was steady over the year, the growth being driven by industry and exports, especially the automotive took a leading role, but slightly tempered by domestic public and private demand. The agriculture sector brought in 3Q an above average harvest results.

GDP Growth vs. Public Debt  
 Source: INS



### Inflation estimated at 1.5%

Weak domestic demand, low commodities prices and low inflation overall EU has driven inflation's decline. In November 2013 the annual inflation rate reached 1.8% yoy, the trend being a result of a positive supply development such as reduced VAT for bread and related products, lower food and energy (fuel) prices.

### Budget deficit on target

Over January-November 2013 the budget deficit reached ca. 1.6% of GDP versus a target deficit of 2.5% for the whole year. Given the large reserve until the end of 2013, major differences from the target are not to be anticipated.



## Romania Market Overview

	2007	2008	2009	2010	2011	2012	2013
<b>Real GDP(%yoy)</b>	6.3	7.3	-6.6	-1.1	2.3	0.6	2.7
<b>Consumer prices (eop, % yoy)</b>	6.6	6.3	4.7	8	3.1	5	1.5
<b>Public budget balance (cash, % of GDP)</b>	-3.1	-4.8	-7.3	-6.4	-4.3	-2.5	-2.7
<b>Unemployment rate (% , eop)</b>	6.1	5.8	7.4	7.2	7.4	6.7	7.3
<b>ROBOR 3M (eop)</b>	8.4	15.5	10.7	6.2	6.1	6.1	2.4
<i>Capital Market Performance</i>							
<b>BET index (RON)</b>	22%	-70%	62%	12%	-18%	19%	26%
<b>BET Index (EUR)</b>	20%	-73%	53%	10%	-18%	15%	25%
<b>BET-XT Composite (RON)</b>	17%	-76%	67%	2%	-14%	20%	23%
<b>BET-XT Composite (EUR)</b>	15%	-79%	58%	0%	-15%	16%	22%
<b>Average Daily Turnover (EUR mn)</b>	16.6	7.5	4.8	5.2	9.2	6.7	10.1
<b>Agg. Market Cap (EUR mn)</b>	24,601	11,630	19,053	23,892	16,386	22,063	29,980

Sources: National Bank of Romania, Bucharest Stock Exchange, Institutul National de Statistica

**ROMANIA** with CAPITAL: Bucharest

**POLITICS:** Romania is a parliamentary republic. Presidential terms are limited to five years and no one can serve more than two terms. Members of the two-chamber parliament are elected every four years via a first-past-the-post system mixed with party-list proportional representation. The House of Representatives has 333 lawmakers and the Senate 137.

**ECONOMY:** Romania has the second-largest area devoted to farming of any country in the EU, after Poland. The country also has oil and gas resources as well as a large IT-service sector.

The country remains outside the Eurozone; its currency is the Leu. Its public debt is small compared to other EU countries at around 36 percent of GDP.

With an average monthly wage of 350 euros (\$460), Romania is the EU's second poorest country, after Bulgaria.

**GEOGRAPHY:** Located in south-eastern Europe, Romania borders Moldova, Ukraine, Hungary, Serbia and Bulgaria. At 237,500 square kilometers (91,700 square miles), Romania is slightly smaller than the United Kingdom.

**POPULATION:** 19 million, plus an estimated three million living abroad. Romania is home to more than 25 ethnic groups, including Hungarians and Roma.

## Macroeconomic Developments 2013

### 2013 real GDP growth at 2.7%

GDP has grown in 1-3 Quarter by 2.7% year on year (yoy) or 1.8% yoy adjusted for agriculture and full year figures are expected to remain stable. The uptrend was constant flowing over the year, the growth being driven by industry and exports, where the car industry took a major role, although the domestic demand, both private and public, limped. An above average harvest agricultural year saved the GDP picture with a 3Q increase.

### Inflation's forecast at 1.5%

Faint domestic demand, low commodities prices and low inflation across the Eurozone sustained the drop off of the inflation. In November 2013 the annual inflation rate reached 1.8% yoy, the downtrend being caused by good supply side impulses such as reduced VAT for bread and related products, damped food and fuel prices.



## Budget deficit on goal as expected

Over the period January-November 2013 the budget deficit reached around 1.6% of GDP versus a target of 2.5% for the whole year. With a large reserve until the end of the year, major deviation from the budget goal is not expected.

## New agreement with IMF

In order to reinforce confidence in Romania's economy, the government has reached an agreement with the International Monetary Fund (IMF) and the European Commission (EC) at the end of July for a new two-year precautionary agreement. The Romanian executive emphasised the commitment to carry on the reforms scheduled by the previous program and to consolidate public finances and to continue the privatisation program through the capital market.

## Fixed Income

### Central Bank reduced the monetary policy rate by 125 bps from July to year-end

With the hope of rapid disinflation, in July 2013 the National Bank of Romania (NBR) started the process of reducing the monetary policy rate. Since July, NBR has reduced monetary policy rate by 125 basis points (from 5.25% to 4.0%). By this, the interbank interest rates (ROBOR) decreased quickly (i.e. ROBOR 3M fell by 190 bps since end-June). At the moment ROBOR curve is trading substantially below the level of the monetary policy rate (ROBOR 3M currently at 2.3%)

### JP Morgan and Barclays

The decision by JP Morgan and Barclays to include RON T-bonds in their EM domestic debt indices couples with large liquidity existing on external markets supported a run for RON T-bond prices. Between end-November 2012 to Mid-May 2013 yields fell by 180 bps – 10Y tenor or 220 bps – 3Y tenor.

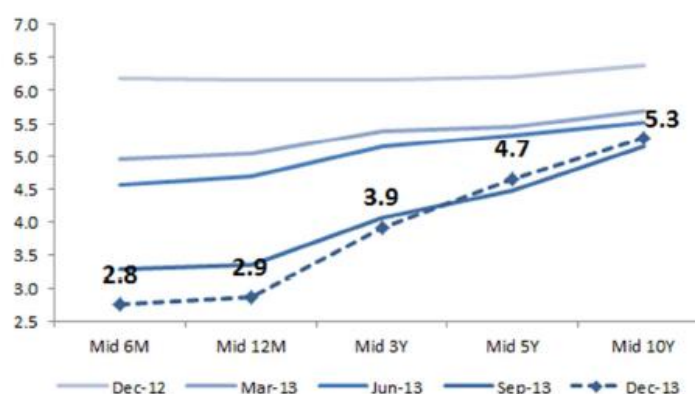
### Yield Curve Gets Up

The yield curve is primarily influenced by local banks and non-residents. For shorter term securities (up to 3 years) loose liquidity conditions and the fact that they are favoured mainly by local banks damped the yield. Non-residents are key players for longer maturities, and they intensified their acquisition at the beginning of 2014, which depressed the rates but at a rather modest pace compared to the case of shorter term securities. The yield curve goes up this year.

New regulations of NBR to curb FX lending favoured local currency

issues. Looking back, the financial year 2013 has abundant corporate bond issues. Unicredit Tiriac Bank and

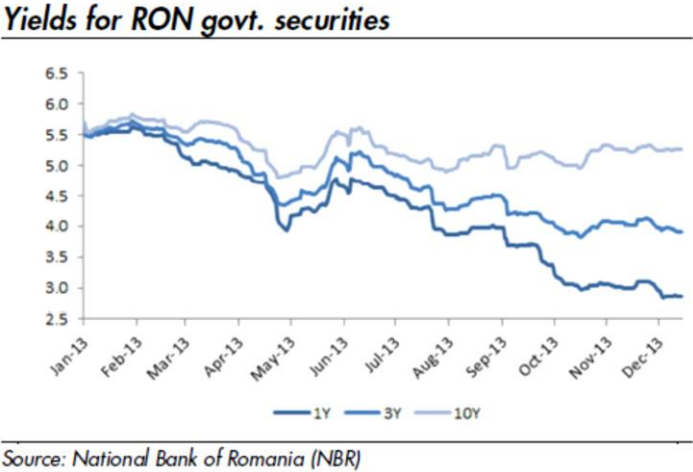
### Steepness of the yield curve



Source: National Bank of Romania (NBR)

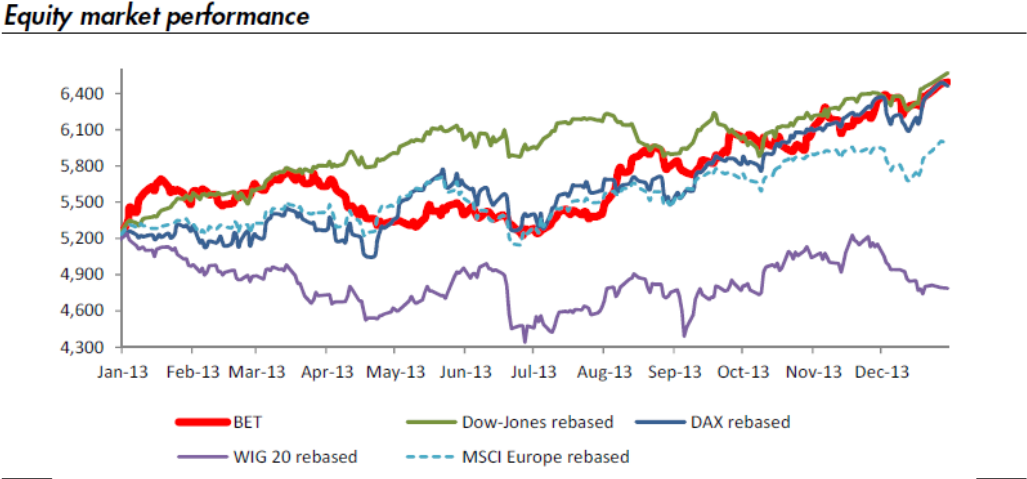


Raiffeisen Bank issued 3-Year and respectively 5-year bonds during summer 2013. The power grid operator Transelectrica which issued five-year bonds in value of RON 200 million has followed it in December 2013.



**Equity Market**

Local market joined the global development. The European capital market has found its vigour in 2013. The Bucharest Stock Exchange took profit from the rising moments, and followed the trends observed on the international markets for most months of the year. BET index went up by 26% (adjusted for dividends), by share prices appreciation in the second half year. This mitigated the effect of dividend payments in May 2013.





## Initial Public Offering (IPO) after a five-year break

Romania's first sale of stock after a five year break started with two IPOs, including the largest IPO on the local market for sale offering of a 15% stake of Romgaz at the end of October 2013, or RON 1.7 billion. Some 36% had been appropriated to GDRs listed on the London Stock Exchange. Some other transactions included the IPO for Nuclearelectrica, private placements and an assiduous buy-back from Fondul Proprietatea.

### Transactions 2013

Company	Symbol	Type of Transaction	Date	Stake (%)	Value (RON mn)	Explanation
Transgaz	TGN	SPO	04.2013	15.0	315	Two retail tranches (15%); 2x oversubscribed
OMV Petrom	SNP	ABB	05.2013	1.1	247	Stake offered by Fondul Proprietatea
Nuclearelectrica	SNN	IPO	09.2013	10.0	289	Small retail tranche (10% of the offering); oversubs. 4.6x. Large tranche (5%) oversubs. 1.3x.
Romgaz	SNG	IPO	10.2013	15.0	1732	Retail tranche (20% of the offering); oversubs. 12x; 36% to GDRs.
OMV Petrom	SNP	ABB	11.2013	1.6	386	Seller EBRD
Fondul Proprietatea	FP	Buy-back	11.2013	1.1	600	Persistent buy-back program 600 mn shares
Transgaz	TGN	ABB	12.2013	15.0	304	Group sold entire stake, several times oversubscribed.

Source: Bucharest Stock Exchange

The oversubscriptions witness the growing investors' interest in the Romanian capital market. Although the equity market is not yet blooming, the year 2013 has seen overall much more and active investors compared to years before. The average daily volumes reached in 2013 EUR 7.4 mn. The previous year they were 5.6 mn. Fondul Proprietatea was the most liquid company. It represented up 42% of the total equity market, followed by SIFs (16%) and OMV Petrom (9%).

### Bucharest Stock Exchange: Major Performance Indicators

	2007	2008	2009	2010	2011	2012	2013
Av. Daily Turnover (EUR mn)	16.6	7.5	4.8	5.2	9.2	6.7	10.1
Agg. Market Cap (EUR mn)	24,601	11,630	19,053	23,892	16,386	22,063	29,980
No of listed Companies	59	68	69	74	79	79	83
<i>Performance (nominal, yoy)</i>							
BET Index (RON)	22%	-70%	62%	12%	-18%	19%	26%
BET index (EUR)	20%	-73%	53%	10%	-18%	15%	25%
BET-FI Composite (RON)	125%	-84%	90%	-8%	-12%	31%	23%
BET-FI (EUR)	23%	-85%	80%	-10%	-13%	27%	22%
BET-XT Composite (RON)	17%	-76%	67%	2%	-14%	20%	23%
BET-XT Composite (EUR)	15%	-79%	58%	0%	-15%	16%	22%

Source: Bucharest Stock Exchange, Revista Capital



# Outlook 2014

Responsible Resources & Roots Engagement forecasts for the year in course a GDP growth of 2.3%, as long as the investments volume is expected to be growing and the consumption continues to give positive impulses to production. A stronger external demand will be expected to further support exports and the industry production. A good agricultural output would even add to the GDP growth, so that it may be favourable for a higher score of 2.4%. The economic recovery is on slow motion, but sustainable.

## Inflation higher in 2014

The rise of consumption tax (excises) is expected to boost inflation to the level of 3.5% yoy by the end of 2014 (compared to 1.5% in 2013). Public revenues continue to underperform. The government failed to meet the target set for absorption of EU funds.

## The Budget deficit still under 3% of GDP

The negotiations between the Romanian government, the IMF and the European Commission in November 2013 have emphasised the importance of a balanced public budget deficit, which has been revised upwards. However, the negotiations’ partners agreed to a budget deficit below 3% of GDP. Therefore it may be expected that the Romanian government will stay committed to meet this requirement.

## Standard & Poor’s for “positive”

The rating agency Standard & Poor’s attested Romania’s ratings (LT FCY at BB+) again while raising the bar of outlook to “positive” from “stable” . The rating agency encouraged capital markets by the indication that an improved outlook could mean that a better rating can be considered by the second half of 2014. It depends on the Romanian government how serious it will stick the fiscal and reform program. S&P remains the only major ratings agency which does not include Romania in the investment grade category. Romania's long term foreign currency debt is rated as Baa3 (negative) by Moody’s and as BBB- (stable) by Fitch, which are at the lowest level of investment grade category.

## Credit rating (FCY long-term)

	S&P	Moody’s	Fitch
Rating/Outlook	BB+/ Positive	Baa3 / Negative	BBB- /Stable

According to the current budget plan for 2014, core public revenues excluding taxes on using goods from licensed services are planned to increase by over 7.0% in 2014 from the effective level registered in 2013. It is an ambitious target given the moderate growth foreseen for real GDP and the lower increase projected for nominal GDP (5.3%). The government plans to reduce social contributions paid by employers starting in July. Core public expenses are planned to increase by 3.2% in 2014 which shows a slow dynamic from historical perspective. The wish of public spending might be higher in an elections year such as 2014. Therefore a reasonable control over public expenses represents a key challenge to meet the cash budget deficit target in 2014.



## Elections shape Romania's Outlook 2014

New elections are potentially set to intensify political noisy shapes around the ruling USL alliance. In case of USL breakdown, PSD are likely to build a majority without PNL. By all possible political developments the government will be willing to pursue the program that has been committed with IMF and European Commission.

The uncertainty moments regarding macroeconomic policies might be starting with 2015 if stronger influence of PSD would be wielded.

### Key indicators (macroeconomics)

	2007	2008	2009	2010	2011	2012	2013e	2014f
<b>Real GDP (%yoy)</b>	6.3	7.3	-6.6	-1.1	2.3	0.6	2.7	2.3
<b>Consumer prices (eop, % yoy)</b>	6.6	6.3	4.7	8.0	3.1	5.0	1.5	3.5
<b>Household expenditure (% yoy)</b>	12	9	-10.4	-0.2	1.6	1.1	0.9	2
<b>Output Industry (% yoy)</b>	5.4	2.7	-5.5	5.5	7.5	2.4	6.5	3.5
<b>Public budget balance (cash, % of GDP)</b>	-3.1	-4.8	-7.3	-6.4	-4.3	-2.5	-2.7	-2.4
<b>Public debt (national definition, % of GDP)</b>	19.8	21.3	29.4	37.1	40.1	41.1	41.4	41.6
<b>Current account balance (% of GDP)</b>	-13.4	-11.6	-4.2	-4.4	-4.5	-4.4	-1.0	-2.0
<b>Net Foreign Direct Investment (% of GDP)</b>	5.8	6.8	3.0	1.8	1.4	1.6	1.4	1.7
<b>Unemployment rate (% eop)</b>	6.1	5.8	7.4	7.2	7.4	6.7	7.3	7.1

Source: National Bank of Romania, Institutul National de Statistica, Research-Responsible Resources & Roots Engagement

### FIXED INCOME

It is less likely that yield will decrease further. Given the spread between interbank rates (ROBOR 3M at 2.3%) and the monetary policy, it looks like there is room for another 50bps cut of the monetary policy rate to 3.50%. Favoured by a low budget deficit, public debt and redemptions due in 2014, RON yields seem to be well positioned to connect with the foreseen increase in long-term yields for developed countries. In 2014 the yield curve is expected to fall slightly and the yields might move with a tighter range compared to 2013.

### Equity market

The two IPOs and the large ticket transactions of 2013 played an important role to keep open the door for foreign investors in Romania. The government decisions and Fondul Proprietatea will keep the steering wheel in 2014 as well. The expectations give place to new challenges. Fondul Proprietatea will be moving to continue disinvesting some of its listed stakes, especially OMV Petrom or even Romgaz or its participations in banks. It very much depends how the Romanian government keeps its commitments on duty.



## IPOs of state-owned companies planned for 2014

Company	Offering details	Deadline	Estimated value (EUR mn)
Electrica	Share capital increase, 105% of existing share capital	May 2014	n.a.
Hidroelectrica	Share capital increase, 15% of existing share capital	June 2014	188
CE Oltenia	Share capital increase; 12% of existing share capital	4Q 2014	26

Source: Energy Department, presentation November 2013 Fondul Proprietatea investor days

### Stepping forward to an emerging economy

The European Commission recognised that Romania has made progress in reforming its judiciary and noted improving cooperation between local institutions, but still warned that the independence of courts remain an issue. Romania has many emerging market characteristics; it shares old unhealed wounds but steps on with the legacy of previous successes. Despite all the country re-focused the markets on the economic fundamentals. The demand for bonds surges. With political risk receding and bonds offering better yields than other markets in Central and Eastern Europe, Romania will stay in high demand.

The needed trigger for the local stock market is the switch of the actual status in MSCI rankings from *frontier* to *emerging* market. And for this liquidity beside transparency and much more commitment of all market players (government, stock exchange management, regulatory institutions and brokers) is required.

### New CEO at Bucharest Stock Exchange

The Bucharest Stock Exchange has a new CEO, Mr Ludwik Sobolewski, and former head of the Warsaw Stock Exchange. He has already worked out a strategy for development of local exchange and made first decisions, such as extending the trading day to 6:00 pm.

### Few Stock features

With the listings of Romgaz and Nuclearelectrica, the energy sector gathered a strong grasp of the Bucharest Stock Exchange, by representing ca. 43% of BET index or 63% if we include Fondul Proprietatea. In addition, the upcoming listings planned by the state for 2014 include three power utilities. As such, the deregulation of the power and gas prices is to be expected, the proper development of the energy sector environment playing an important role in terms of fundamental valuation of these companies and in turn on their stock price evolution.

The deregulation of the domestic gas price is on track with the calendar set by the government in January 2013. The domestic gas price for industrial consumers will be in 1Q 2014 up almost 58% versus the price at the beginning of 2013. At the same time, the domestic gas price for households and thermal heating producers would be up 11% from the beginning of the liberalisation process. Chances lurk in the liberalisation process that can be delayed at a later stage, though one may expect the end of the liberalisation process for industrial consumers to remain the end of 2015 as stipulated by law. Even if prices remain at the level of 1Q 2014 for the entire year, it is still to expect strong upside for Romgaz and OMV Petrom from the gas sale.





For Fondul Proprietatea (FP) it must be considered that over a medium term the upside should come mainly from NAV appreciation. With Petrom and Romgaz stakes accounting for almost 50% of the total shares portfolio, FP could be viewed as an alternative play on gas prices liberalisation. Structural reforms will remain important on the agenda, including those related to state owned companies. As money market rates and bond yields reached new lows, FP's appeal for income searching investors soared. Besides, the low interest rates mean a reduced cost of equity which should lift the value of its portfolio companies.



Source: Bucharest Stock Exchange, Fondul Proprietatea

With the proposed dividend pay-out ratio of 50%, Transgaz has lost some of its appeal, though the expectations set for strong operating performance in the medium term. In addition we see some risk for the transit revenues stemming from the construction of South Stream, as Russia's alternative versus transiting Ukraine.

The remarkable results achieved by Transelectrica in 2013, coupled with the new management's strategy focused on enhancing the return to shareholders, place Transelectrica among top picks.

Furthermore, the 4.7% increase in transport tariff from January 2014 bodes well in the context of the negotiations of the parameters for the third regulatory period of five years due to begin in July. In our view, the recent good run for SIFs has almost wiped out the upside potential for SIF Transilvania, SIF Muntenia and SIF Oltenia prices. SIF Moldova remains interesting as it has the most attractive discount to NAV, while SIF Transilvania could be considered as a pure dividend play.

SIF Banat-Crisana retains the largest discount to NAV from the SIFs, but the management style (lack of dividends, recent acquisitions) should demand a larger discount. The latest news coming from the Financial Supervisory Authority indicates that a proposal to lower the GSM quorum has begun to be debated the Parliament, which could reach a decision in the first months of 2014. This could add a new boost to SIFs share price.

Business optimism returns as structural reforms begins to pay off. Business confidence for 2014 is largely positive.

Zurich/Bucharest, January 2014

Eleni Regli

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## Romania Key Figures

Sources: National Bank of Romania, Minister of Public Finance, Institutul National de Statistica, Eurostat

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013F	2014F	2015F
<b>Population</b>												
Stable population (mn. persons, avg.)*	21.67	21.62	21.58	21.54	21.50	21.47	21.43	21.41	20.08	20.05	20.02	19.99
<b>Economic activity</b>												
Nominal GDP (EUR bn)	61.0	79.7	97.8	124.7	139.8	118.3	124.4	131.5	131.7	141.5	147.8	158.6
GDP per capita (in EUR)	2816	3688	4530	5788	6499	5509	5804	6142	6559	7061	7385	7938
Real GDP (% yoy)	8.5	4.2	7.9	6.3	7.3	-6.6	-1.1	2.3	0.6	2.7	2.3	2.5
Real GDP excluding agriculture (% yoy)	7.2	7.2	8.3	8.1	6.5	-6.8	-0.8	1.6	2.4	1.8	2.4	2.5
Household expenditures (% yoy)	15.8	10.1	12.9	12.0	9.0	-10.4	-0.2	1.6	1.1	0.9	2.0	2.5
Fixed investments (% yoy)	11.0	15.3	19.9	30.3	15.6	-28.1	-1.8	7.7	3.8	-2.0	4.0	6.0
Industrial production (% yoy)	5.3	2.0	7.1	5.4	2.7	-5.5	5.5	7.5	2.4	6.5	3.5	4.0
Recorded unemployment rate (% avg.)	6.7	5.8	5.4	4.3	4.0	6.3	7.6	5.4	5.1	5.2	5.4	5.2
Unemployment rate (% avg)	8.1	7.2	7.3	6.4	5.8	6.9	7.3	7.4	7.0	7.3	7.1	7.1
Unemployment rate (% eop)	7.8	6.8	7.4	6.1	5.8	7.4	7.2	7.4	6.7	7.1	7.1	7.0
<b>Wages</b>												
Monthly average gross wage (EUR)	202	267	325	418	478	435	452	467	463	490	505	537
Gross nominal wages - economy (% yoy)	23.3	18.3	18.4	21.8	26.1	4.8	3.1	4.1	4.2	5.0	4.5	5.5
Gross nominal wages - industry (% yoy)	22.4	17.3	14.5	19.9	22.6	10.0	8.3	6.7	4.6	4.3	4.5	5.5
<b>Prices</b>												
CPI (% yoy, eop)	9.3	8.6	4.9	6.6	6.3	4.7	8.0	3.1	5.0	1.6	3.5	3.0
CPI (% yoy, avg)	11.9	9.0	6.6	4.8	7.9	5.6	6.1	5.8	3.3	4.0	2.1	3.3
PPI (% yoy, avg)	19.3	16.5	6.7	6.4	12.7	2.5	4.4	7.1	5.4	2.2	2.3	3.8
GDP deflator (% yoy)	15.5	12.2	10.6	13.5	15.3	4.2	5.7	4.0	4.7	3.8	3.5	4.0
<b>Domestic non-government credit</b>												
Non-government credit (% yoy)	35.4	45.8	54.5	60.4	33.7	0.9	4.7	6.6	1.3	-3.3	n.a.	n.a.
Non-government credit (% of GDP)	16.6	20.7	26.8	35.6	38.5	39.9	40.0	40.0	38.5	34.9	n.a.	n.a.
Credit in foreign currencies (% of total)	61.8	54.7	47.3	54.3	57.8	60.1	63.0	63.4	62.5	61.2	n.a.	n.a.
<b>Public sector</b>												
Public budget balance (cash, % of GDP)	-1.3	-0.7	-1.4	-3.1	-4.8	-7.3	-6.4	-4.3	-2.5	-2.5	-2.4	-2.3
Public budget balance (ESA95, % of GDP)	-1.2	-1.2	-2.2	-2.9	-5.7	-9.0	-6.8	-5.5	-3.0	-2.5	-2.5	-2.3
Public revenues (ESA95, % of GDP)	32.3	32.4	33.3	35.3	33.6	32.1	33.3	33.9	33.7	33.0	33.3	33.6
Public spending (ESA95, % of GDP)	33.6	33.6	35.5	38.2	39.3	41.1	40.1	39.4	36.7	35.5	35.8	35.9
Public debt (ESA 95, % of GDP)	18.7	15.8	12.4	12.8	13.4	23.6	30.5	34.7	38.0	38.2	38.7	38.8
Public debt (national definition, % of GDP)	22.5	20.4	18.4	19.8	21.3	29.4	37.1	40.1	41.1	41.2	41.4	41.3
<b>External sector</b>												
External debt (EUR bn)	21.5	30.9	41.2	58.6	72.4	81.2	92.5	98.7	99.7	98.0	100.0	105.0
External debt (% of GDP)	35.2	38.8	42.1	47.0	51.8	68.7	74.3	75.1	75.7	69.2	67.6	66.2
Short-term external debt (% of total debt)	14.9	20.3	30.5	34.0	28.5	19.2	21.1	23.1	21.0	20.4	21.0	21.4
External debt service (% of GDP)	8.1	17.0	20.2	24.0	32.6	41.5	35.2	35.2	41.2	38.2	36.5	34.0
Current account balance (EUR bn)	-5.1	-6.9	-10.2	-16.7	-16.2	-4.9	-5.5	-5.9	-5.8	-1.4	-3.0	-4.0
Current account balance (% of GDP)	-8.4	-8.6	-10.4	-13.4	-11.6	-4.2	-4.4	-4.5	-4.4	-1.0	-2.0	-2.5
Current account + FDI (% of GDP)	0.0	-2.1	-1.5	-7.8	-4.9	-1.2	-2.6	-3.1	-2.7	0.4	-0.3	-0.3
Trade balance (FOB/FOB, EUR bn)	-5.3	-7.8	-11.8	-17.8	-19.1	-6.9	-7.6	-7.4	-7.4	-3.6	-5.0	-6.1
Trade balance (FOB/FOB, % of GDP)	-8.7	-9.8	-12.0	-14.3	-13.7	-5.8	-6.1	-5.6	-5.6	-2.5	-3.4	-3.8
FOB exports (% yoy)	21.3	17.5	16.2	14.3	14.1	-13.8	28.5	21.2	-0.5	9.0	10.0	10.0
FOB imports (% yoy)	24.0	23.9	25.1	26.0	11.5	-31.9	25.0	17.2	-0.4	0.5	12.0	11.0
Net inward FDI inflows (EUR bn)	5.2	5.2	9.1	7.3	9.5	3.5	2.2	1.8	2.1	2.0	2.5	3.5
FX official reserves (EUR bn)	10.8	16.8	21.3	25.3	26.2	28.3	32.4	33.2	31.2	32.5	31.5	32.5
FX official reserves (months of imports)	5.2	6.3	6.4	6.1	5.6	8.5	8.4	7.5	7.1	7.0	6.1	5.6
<b>Interest rates</b>												
NBR key rate (% avg)	20.0	11.5	8.5	7.5	9.7	9.1	6.5	6.2	5.3	4.8	3.5	3.8
NBR key rate (% eop)	17.00	7.50	8.75	7.50	10.25	8.00	6.25	6.00	5.25	4.00	3.50	4.00
ROBOR 1 month (% avg.)	20.5	9.4	8.7	7.8	13.0	11.7	5.9	5.3	5.2	4.1	3.1	3.8
10-year T-Bonds (% avg., ask price)	n.a	7.4	6.5	7.0	7.9	8.5	6.8	7.2	6.5	5.2	5.5	5.7
<b>Exchange rates</b>												
EUR/RON (eop)	3.97	3.68	3.38	3.61	3.99	4.23	4.28	4.32	4.43	4.48	4.45	4.45
EUR/RON (avg)	4.05	3.62	3.52	3.34	3.68	4.24	4.21	4.24	4.46	4.42	4.48	4.45
USD/RON (eop)	2.91	3.11	2.57	2.46	2.83	2.94	3.20	3.34	3.36	3.26	3.30	3.42
USD/RON (avg)	3.26	2.91	2.81	2.44	2.52	3.05	3.18	3.05	3.47	3.33	3.37	3.42





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