

## CFA Romania analysts cut their economic growth expectations for 2022 to 3 pct

**CFA Romania analysts have lowered their estimate for this year's economic growth to 3 percent, down half a percentage point from their previous forecasts, while their inflationary expectations have continued to rise amid Russia's invasion of Ukraine, shows a statement issued on Tuesday by Romania's chartered financial analysts association.**

The average inflation rate for 2022 is seen at 8.03 percent, a record high ever since the CFA Romania survey began, while the budget deficit is expected to reach 6.7 percent.

As regards the euro to RON exchange rate, the participants unanimously anticipate a depreciation of the national currency in the next 12 months, the average projection over a 6-month horizon standing at 5.0402 RON for one euro, and that over a 12-month horizon being 5.082 RON for one euro.

"Against the background of the risk aversion triggered by Russia's invasion of Ukraine, CFA Romania's Macroeconomic Confidence Indicator continued to decline in March. A consequence of this increased risk aversion is the reduction of economic growth expectations, which have been cut by yet another half a percentage point from the previous issue [in March 2022]. At the same time, inflationary projections have continued to rise. As regards the evolution of interest rates, the survey participants expect the National Bank to hike the key interest rate to at least 4.25 percent in the next 12 months," said vice-president of the CFA Romania Association Adrian Codirlasu.

The share of respondents who believe that residential real estate prices in major cities will rise in the next 12 months dropped to 13.6 percent, the lowest level since November 2020, while 40.9 percent of the respondents see them going down, the highest share since November 2020.

CFA Romania's Macroeconomic Confidence Indicator decreased to 40.9 points due to the evolution of its projection component.

CFA Romania is the association of Romanian investment professionals who hold the certification of Chartered Financial Analyst (CFAŽ), a credential granted by the US-based CFA Institute. The association currently has over 250 members.