

Hawkish signals from Romania's central bank as it keeps rates on hold

The National Bank of Romania kept the policy rate at 6.50%, in line with our call and market expectations. The NBR delivered a hawkish statement with a stronger emphasis on domestic risks. The chances of no policy changes this year have grown visibly



The Romanian National Bank in Bucharest

The NBR's decision to hold fire once again came on the back of growing uncertainties stemming from the fiscal and political uncertainty situation. This added to the already challenging state of affairs involving still-high wage growth, sticky services inflation, energy market uncertainties and global trade uncertainty.

What stood out particularly was the Bank's view on inflation developments. Policymakers noted that after the third quarter of 2025, inflation will decelerate on "*a significantly higher path than in the previous forecast*". This re-adjustment takes the Bank's view closer to our long-held view that bringing inflation back to the target interval will prove to be more challenging than expected over the two-year forecasting horizon.

Inflationary risks remain tilted to the upside and across the key drivers, only the projected fall in oil prices in the near term could indeed help – see [here](#) why our team thinks that oil prices could be

headed to below USD 60 next year.

The May Inflation Report presentation on 20 May remains key to watch, especially as some key unknowns will be known by then.

All told, at this stage, our forecast still remains for some mild policy easing at the last two meetings of the year, although we acknowledge that risks for delayed rate cuts until 2026 at the earliest have grown visibly.

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