

National Bank of Romania revises its inflation outlook higher

At a calm press briefing, the National Bank of Romania unveiled its November Inflation Report, announcing upward revisions to its inflation trajectory. The overall message conveyed stability, indicating that the Bank remains on a steady course despite the higher projections



NBR Governor Mugur Isărescu emphasised that, given the significant fiscal consolidation underway, the Bank cannot tighten policy and must remain patient until the data improves

The NBR now sees inflation at 9.6% by the end of 2025 (up from 8.8%) and 3.7% by the end of 2026 (previously 3.0%). These adjustments were largely anticipated by markets after the August print of 9.8%, which captured the impact of higher VAT and excise duties. According to the report, electricity prices, tax hikes, and inflation expectations are key drivers, with the combined effect of VAT increases, excise duties, and electricity accounting for nearly half (4.7 percentage points) of the December 2025 projection. Once these factors drop out of the statistical base in mid-2026, inflation is expected to glide toward 3.0% by year-end.

Higher NBR estimates, though still lower than our projection

	Previous NBR projections	New NBR projections	ING estimates
--	--------------------------	---------------------	---------------

4Q25	8.8	9.6	9.6
1Q26	8.0	9.1	9.0
2Q26	7.9	9.2	9.0
3Q26	3.4	4.0	4.4
4Q26	3.0	3.7	4.5
1Q27	2.9	3.3	4.3
2Q27	2.7	3.0	4.0
3Q27		2.9	3.8

The Q&A session offered additional clarity on the Bank’s stance. Governor Mugur Isărescu emphasised that, given the significant fiscal consolidation underway, the Bank cannot tighten policy and must remain patient until the data improves.

Regarding the timing of potential easing, he noted: “We currently have only one element that could make us consider a rate cut: the fact that the Robor rate dropped below the policy rate. This is a good signal. Another good signal is the stability of the exchange rate and markets... But beyond that, inflation is where it is, real interest rates are negative... So cutting rates now would help no one; even discussing it doesn't help. We will not make that mistake. Perhaps by spring or summer next year, we can revisit this more optimistically.”

What’s our take on this?

Despite the upward revision of its inflation estimates, the NBR still seems to tilt towards a dovish stance, with no policy tightening in sight and, to the extent possible, preserving the de facto easing that comes via the improved money market liquidity. By our estimates, the liquidity surplus reached nearly RON23bn in October – well below the RON60bn peak in January 2024, but still ample enough to keep carry rates gravitating towards the 5.50% deposit facility rather than the 6.50% policy rate.

On the latter, we maintain our view that the first 25bp rate cut could come in May 2026, with a cumulative 100bp of cuts in 2026. An important known unknown for this scenario is the government’s cap on natural gas prices, which is set to expire at the end of March 2026, potentially triggering a one-off increase in gas prices. Still relevant but possibly less impactful should be the temporary cap on mark-ups for basic food items, which should eventually be lifted in the same period.

Finally, on the FX rate, we continue to view a meaningful depreciation of the leu as unlikely while inflation remains elevated. We therefore don't expect the FX rate to significantly depart from the current levels this year and through 2026 (see our estimates [here](#)).

Author

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.