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Snap

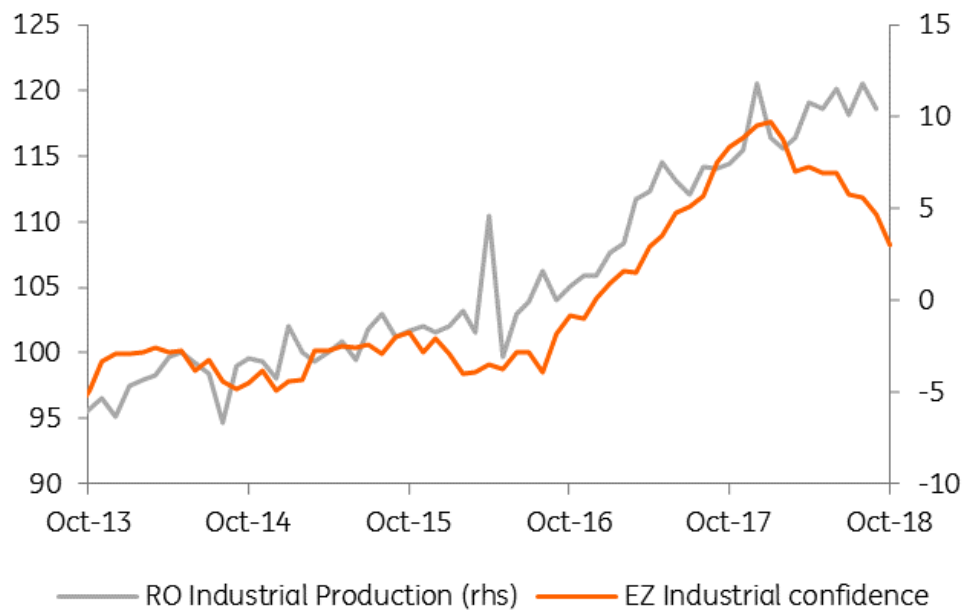
Romania: Industry slows in September

Today's industrial production data confirms the weak prospects for third quarter GDP growth, which we expect to go down to 3.0% confirming that even the recently updated official growth forecast is too optimistic

Despite the marginally improved confidence indicators, the Romanian industry ended the third quarter on a weak note. Industrial production slowed down from 5.5% year-over-year in August to 4.0% in September and ended 3Q18 with a -0.2% quarterly sequential contraction. Manufacturing led the slowdown as it contracted by -2.0% versus the previous quarter. The mining sector contracted as well by -1.4%, overshadowing a 1.1% expansion of the energy sector.

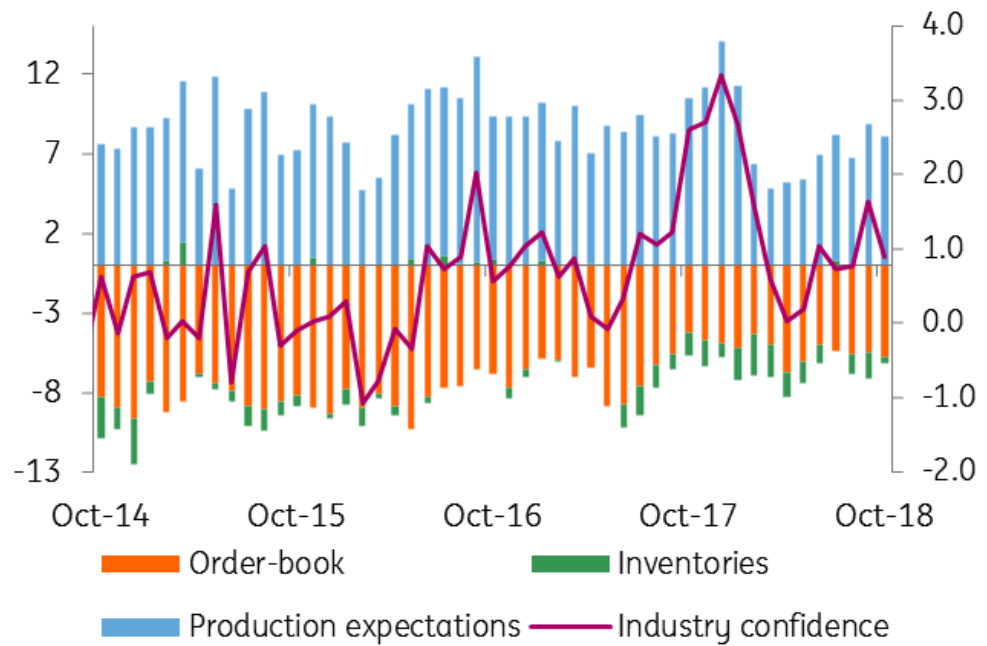
Compared with September 2017, the 4.0% seasonally adjusted growth confirms the stabilisation of industrial production in the low single digit area. With the October 2018 confidence indicators pointing south again, a mediocre outlook for Romanian industry remains the best case.

Weak prospects ahead



Source: EC, ING

Manufacturing confidence



Source: EC, ING

Today's data confirms the weak prospects for third quarter GDP growth and we expect it to slow down to 3.0%YoY and confirm that even the recently updated official growth forecast is too optimistic.

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