

Snap | 7 January 2019

Romania: Retail sales continue to accelerate

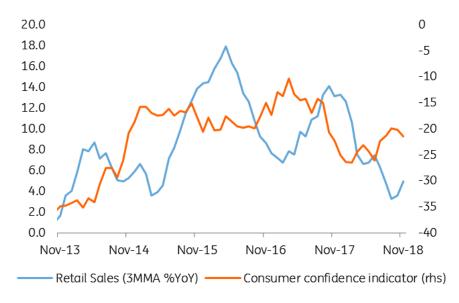
November 2018 marked the third consecutive month of acceleration, but we might be getting closer to a turning point as consumer sentiment deteriorates



Source: shutterstock

Snap | 7 January 2019

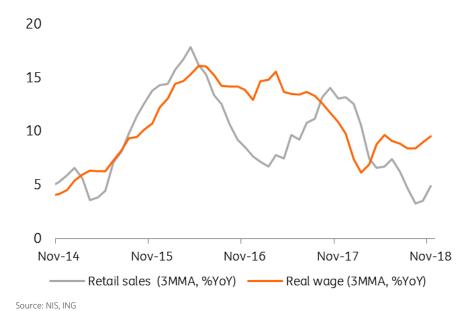
Consumer confidence becoming less supportive



Source: EC, NIS, ING

Retail sales accelerated by 6.0% in November 2018 compared to November 2017. Non-food items pulled the November figure higher, accelerating by 7.7%, likely due to the increasingly popular Black Friday. Lower oil prices still supported fuel sales, which increased 5.7%, while food items grew in the low single digits, at 4.7%.

Real wage growth moderating

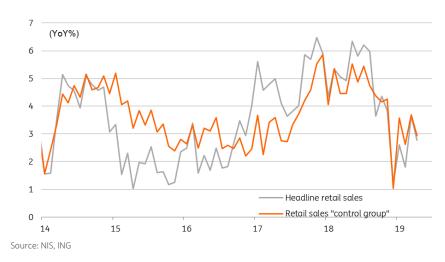


The news coming from consumer spending could remain positive for December 2018 as well, but the future looks challenging. Consumer sentiment declined in the first two months of the fourth quarter while real wage growth remained mostly in the single digit area throughout 2018.

Snap | 7 January 2019 2

Moreover, the newly enacted fiscal changes are yet to be reflected in consumer sentiment.

Retail sales breakdown



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 http://www.ing.com.

Snap | 7 January 2019 3