

Snap | 5 December 2017

ROMANIA

## Romania: Retail sales growth remains flat in October

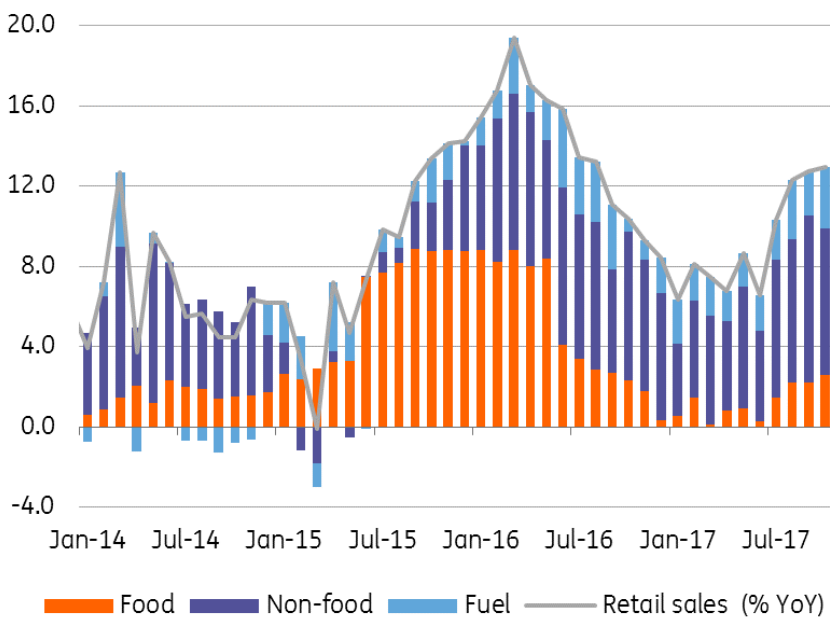
This is the first batch of hard data reading since the significant monetary tightening started and sales of non-food items are holding up quite well



Source: Shutterstock

Retail sales growth remained almost flat at 12.9% year-on-year with sales for non-food items slowing down from 19.2% to 15.6% YoY maybe due to September back to school effects or higher RON interest rates. While sales for food items and fuel posted declines versus the previous month adjusting to the significant move higher in prices for both categories.

## Retail sales breakdown



This is the first batch of hard data since the rise in the 3M ROBOR interest rate index, relevant for loans, which spiked c.100bp in September and October, inching another c50bp higher in November.

The solid reading does not back the sharp fall in consumer confidence in October, but it might be related to a pass-through lag, especially as the central bank labelled the rise in rates as temporary at the beginning of the October meeting, just to consider it permanent a month later.

Despite strong inertia, there are some shocks affecting consumer behaviour which are expected to lead to a slowdown in the next couple of quarters.

### Author

**Ciprian Dascalu**

Chief Economist, Romania

+40 31 406 8990

[ciprian.dascalu@ing.com](mailto:ciprian.dascalu@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](http://www.ing.com).