



**The EURRON rate volatility trend is downward, suggesting reduced perceived macro/monetary uncertainty, anchored inflation expectations, without major speculative pressure on RON.**

## **MONTHLY MARKET REPORT**

**ASF No. 4 - 4/25/2025**

The report is realized with a reference date of March 31 2025

## Summary

- Locally, the annual CPI inflation rate was 4.9% in March 2025 compared to March 2024. Significant contributions to the annual inflation rate came from the increase in prices of food goods (+5.1%), non-food goods (+3.84%) and services (+6.99%), according to data published by the INS.
- Total traded value on Bucharest Stock Exchange main segment in March 2025 was EUR 223 mn, with a monthly increase of 28%.
- Most of the BVB indices showed negative developments (1 month), the largest decrease being recorded by the BET-FI (-2.10%) and BETAeRO (-1.95%).
- In April, the volatilities of the BET, BET-NG, BET-BK, BET-TR, and BET-FI indices exhibited a prevailing upward trajectory, based on increased global and local uncertainty.
- In March and April, the contagion index rose rapidly from approximately 52 to almost 78, remaining within the 3-sigma range, which indicates a very high increase in market interconnectedness.
- The EURRON rate volatility trend is downward, moving from above 1.24% to 1.11% suggesting reduced perceived macro/monetary uncertainty, anchored inflation expectations, without major speculative pressure on RON.
- The market capitalization showed a 25,1% increase at the end of February 2025 compared to the end of 2023 and a 5.1% increase related to December 2024.
- According to data published by AAF, the net assets of open-end (local) investment funds were EUR 4.86 bn. in February 2025, up compared to the previous month (EUR 4.78 bn.).
- In insurance market total eligible own funds to meet SCR were 1.93 bn. EUR at the end of December 2024.
- At the end of March 2025, the value of the assets of Pillar II pension funds reached EUR 32 bn., up 18% compared to the same date of the previous year. The value of gross contributions in March 2025 was EUR 366 millions, while the average contribution was EUR 81.

## World Macroeconomic Outlook

According to the autumn 2024 economic forecast, the European Commission kept **GDP growth for the euro area at 0.8%. For the EU, the European Commission forecasts a GDP growth of 0.9% in 2024**, a slight downward revision (0.1 percentage points) from the previous forecast (Spring 2024 Economic Forecast). According to the European Commission, **Romania's gross domestic product will grow by 1.4% in 2024**, which represents a downward revision (from 3.3%: economic forecasts from the spring of 2024).

In the fourth quarter of 2024, **seasonally adjusted GDP** increased by 0.2% in the euro area and by 0.4% the EU, compared with the previous quarter, according to a preliminary estimate published by Eurostat. For the year 2024 as a whole, GDP increased by 0.9% in the euro area and by 1.0 in the EU, after +0.4% in both zones in 2023.

According to data published by the **National Institute of Statistics**, at the local level, gross domestic product in the fourth quarter of 2024 increased by 0.6% compared to the third quarter of 2024. Gross domestic product recorded an increase of 0.5% compared to the same quarter of 2023 on the gross and seasonally adjusted series.

The **National Strategy and Forecast Commission** has revised down the economic forecast for gross domestic product growth for 2024 to 1% according to the CNSP autumn 2024 forecast (from 2.81% according to the CNSP summer 2024 forecast).

### Evolution of GDP (%) and GDP forecast (%)

Region/country	Eurostat			
	2023	Q1 2024	Q2 2024	Q3 2024
Eurozone	0.4	0.2	0.7	1.3
Germany	-0.3	-0.8	0.1	0.1
Bulgaria	1.9	1.9	2.3	2.6
Hungary	-0.9	1.1	1.5	-0.8
Poland	0.1	1.5	4.3	1.6
Romania	2.4	2.3	0.9	-0.1
US				

EC	
2024f	2025f
0.8	1.3
-0.1	1.7
2.4	2.9
0.6	1.8
3	3.6
1.4	2.5

IMF			
2024	2025f	2024f	2030f
0.9	0.8	1.2	1.1
-0.2	0	0.9	0.7
2.8	2.5	2.7	2.5
0.5	1.4	2.6	3
2.9	3.2	3.1	2.7
0.9	1.6	2.8	3.5
2.8	1.8	1.7	2.1

Source: Eurostat, % change compared with the same quarter of the previous year - seasonally adjusted data, EC - Autumn 2024 Economic Forecast, World Economic Outlook – April 2025, IMF

## World Macroeconomic Outlook

### Monetary policy interest rates

România	Eurozone	US	UK
6.50%	2.40%	4.50%	4.50%
-	↘	-	-

Following the monetary policy meeting on February 14, 2025, the **National Bank of Romania decided**: to maintain the monetary policy interest rate at 6.50% per annum; to maintain the interest rate for the lending facility (Lombard) at 7.50% per annum and the interest rate on the deposit facility at 5.50% per annum and to maintain the current levels of the minimum reserve requirements for liabilities in lei and foreign currency of credit institutions.

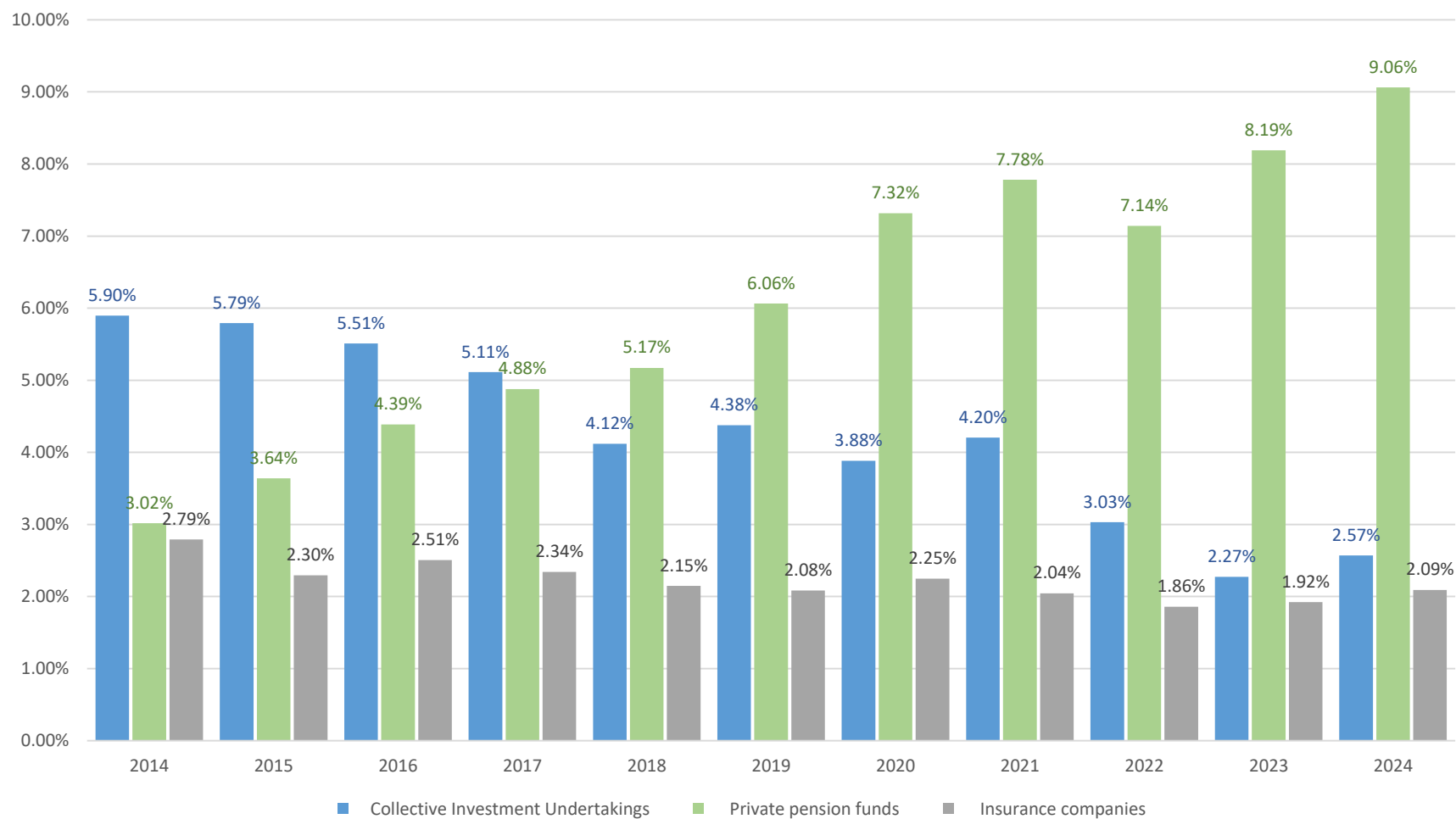
**The Economic Sentiment Indicator (ESI)** reached 96 points in the European Union in March 2025, recording a slight decrease compared to the previous month. In March 2025, confidence in the industrial sector increased by 0.2 points compared to the previous month. In Romania, the economic sentiment indicator had a value of 103 points, an increase compared to the previous month. At the same time, consumer confidence decreased by 0.2 points.

According to data published by Eurostat, **the annual inflation rate in the euro area** was 2.2% in March 2025, decreasing from 2.3% in the previous month. The highest contribution to the annual euro area inflation rate came from services (+1.56 percentage points, pp), followed by food, alcohol & tobacco (+0.57 pp), non-energy industrial goods (+0.16 pp) and energy (-0.10 pp). The lowest annual rates were registered in France (0.9%), Denmark (1.4%) and Luxembourg (1.5%). The highest annual rates were recorded in Romania (5.1%), Hungary (4.8%) and Poland (4.4%). Compared with February 2025, annual inflation fell in sixteen Member States, remained stable in one and rose in ten.

Locally, the **annual CPI inflation rate** was 4.9% in March 2025 compared to March 2024. Significant contributions to the annual inflation rate came from the increase in prices of food goods (+5.1%), non-food goods (+3.84%) and services (+6.99%), according to data published by the INS.

## Dimension of non-bank financial sector

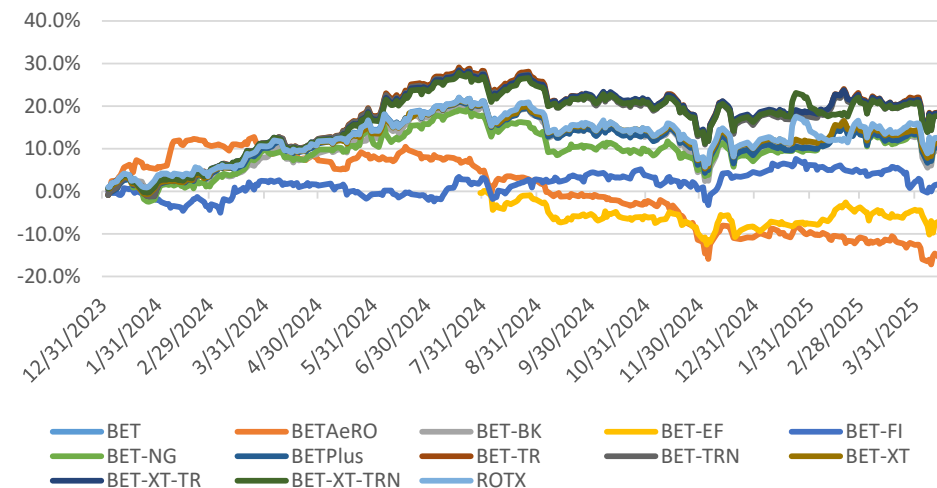
Evolution of non-banking system's assets (% of GDP\*)



Source: NBR, ASF, NIS (\*GDP gross series, sum of the last 4 quarters Q4 2023+Q1 2024+Q2 2024+Q3 2024+Q4 2024)

## Current trends in Romanian capital markets

Evolution of local stock indices (29.12.2023=100%)



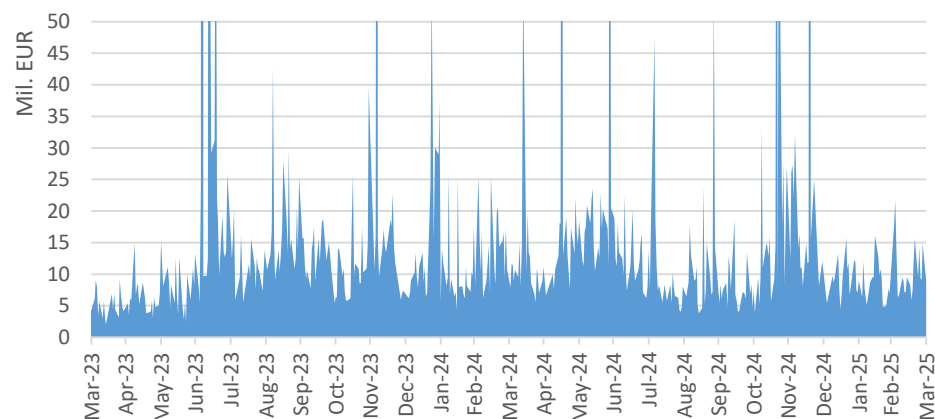
Romanian stock indices evolution in 2025 (30.12.2024 = 100)

Date: 4/17/2025

BET	BET-FI	BET-NG	BET-XT
2.1%	-2.4%	3.0%	1.3%
BET-BK	BET-Plus	BET-TR	BET-XT-TR
1.3%	1.9%	2.1%	1.3%
BET-TRN	BET-XT-TRN	BETAeRO	ROTX
2.1%	1.3%	-3.5%	2.4%

Source: BSE data, ASF calculations (% change vs. 12/30/2024)

Equities traded value on BSE mai segment (EUR)

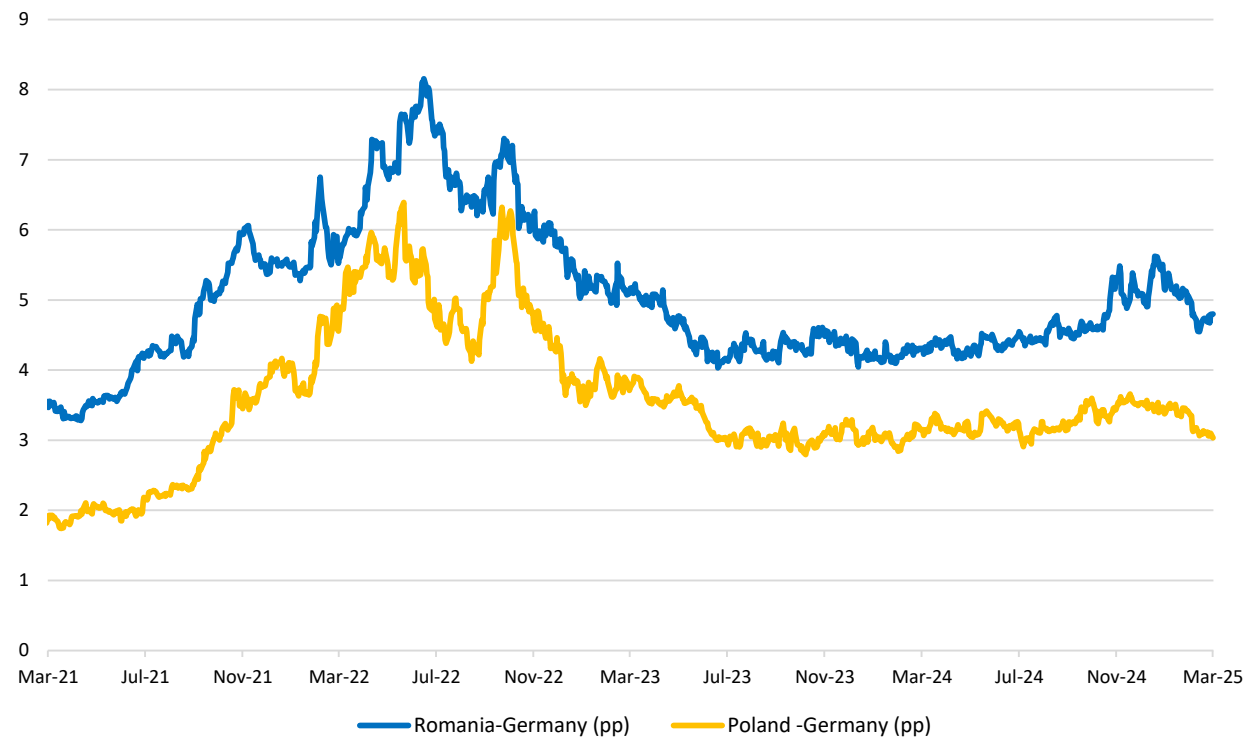


Source: BVB; ASF calculations

Total traded value on Bucharest Stock Exchange main segment in March 2025 was EUR 223 mn, with a monthly increase of 28%.

## Macroeconomic risk in Romania: external position and market perception of sovereign risk

Government bond yields spread of Romania (10Y. LC)



The spread between Romania's 10-year euro-denominated sovereign bonds and the similar ones of Germany slightly decreased in March 2025 (4,8 pp), remaining below the values recorded during 2022.

## Market risk: evolution of local and international stock indices

International and local stock indices yields (reference date)

31-Mar-25

	28-Feb-25	30-Dec-24	30-Sep-24	29-Mar-24
	1 M	3 M	6 M	12 M
<b>International indices</b>				
EA (EUROSTOXX)	-3.06%	7.37%	5.07%	4.28%
FR (CAC 40)	-3.96%	5.55%	2.03%	-5.06%
DE (DAX)	-1.72%	11.32%	14.69%	19.85%
IT (FTSE MIB)	-1.56%	11.31%	11.51%	9.50%
GR (ASE)	4.82%	14.67%	16.07%	18.48%
IE (ISEQ)	-7.23%	4.42%	2.95%	2.32%
ES (IBEX)	-1.59%	13.29%	10.59%	18.61%
UK (FTSE 100)	-2.58%	5.01%	4.20%	7.92%
US (DJIA)	-4.20%	-1.28%	-0.78%	5.51%
IN (NIFTY 50)	6.30%	-0.53%	-8.88%	5.34%
SHG (SSEA)	0.43%	-0.51%	-0.05%	9.64%
JPN (N225)	-4.14%	-10.72%	-6.07%	-11.77%
<b>BSE Indices</b>				
	1 M	3 M	6 M	12 M
BET	-0.04%	4.74%	-0.59%	2.86%
BET-FI	-2.10%	-2.21%	-2.05%	-0.20%
BET-NG	-0.31%	5.64%	2.38%	3.33%
BET-XT	-0.22%	3.70%	-1.25%	3.11%
BET-BK	-1.44%	3.63%	-1.51%	4.40%
BETPlus	-0.03%	4.46%	-0.92%	2.88%
BET-TR	-0.04%	4.74%	-0.55%	9.32%
BET-XT-TR	-0.22%	3.70%	-1.21%	8.95%
BET-TRN	-0.04%	4.74%	-0.55%	8.77%
BET-XT-TRN	-0.22%	3.71%	-1.21%	8.44%
BETAeRO	-1.95%	-1.93%	-11.62%	-20.67%
ROTX	0.30%	5.02%	0.00%	4.55%

Most of the European indices had negative developments in the last month. The most important decreases were observed in the case of IBEX (IE: -7.23%) and CAC 40 (FR: -3.96%).

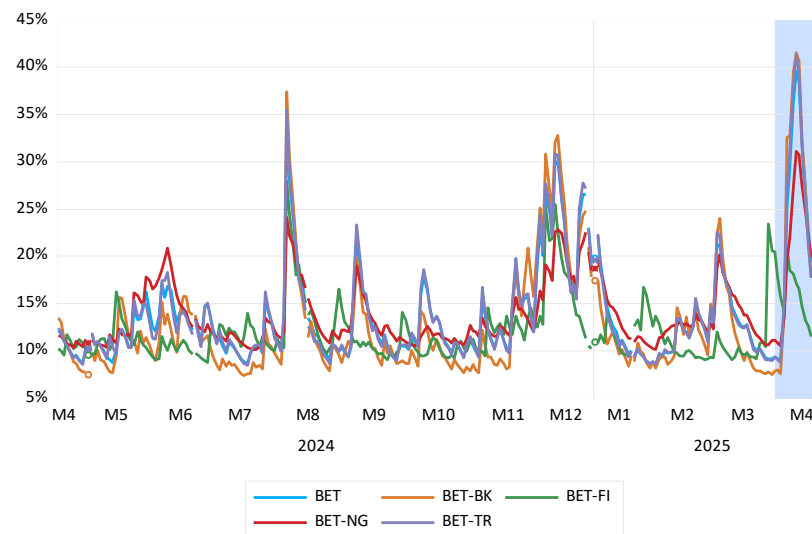
The DJIA (US) and N225 (JPN) indices decreased by 4.20% and 4.14% in the last month, while the SSEA (China) and NIFTY 50 (India) increased by 0.43% and 6.30%.

Most of the BVB indices showed negative developments (1 month), the largest decrease being recorded by the BET-FI (-2.10%) and BETAeRO (-1.95%).



## Market risk: evolution of stock indices

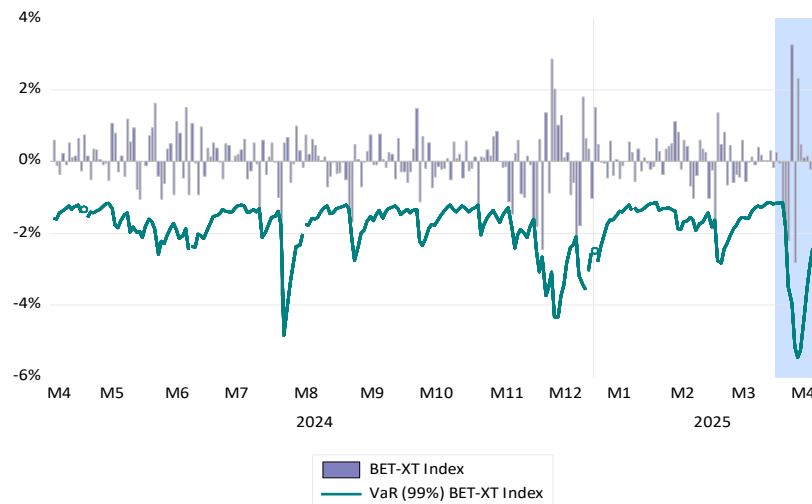
The volatility of local stock market indices - GARCH (1,1)



In April, the volatilities of the BET, BET-NG, BET-BK, BET-TR, and BET-FI indices exhibited a prevailing upward trajectory. These volatilities were estimated utilizing a GARCH (1,1) model.

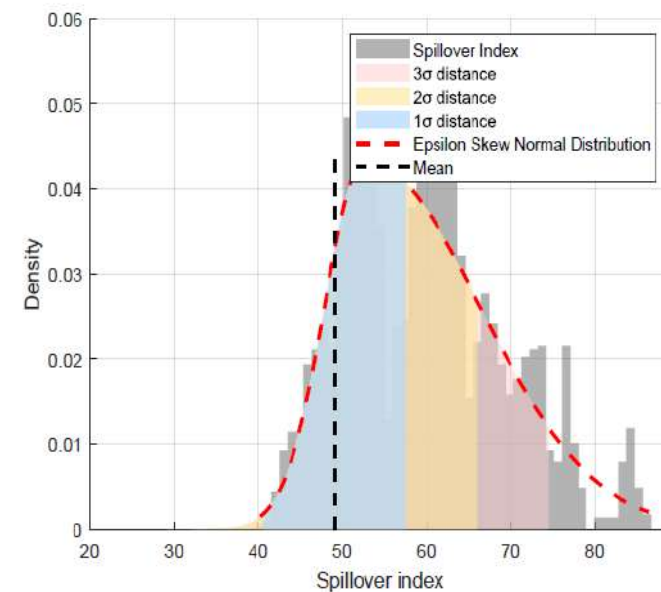
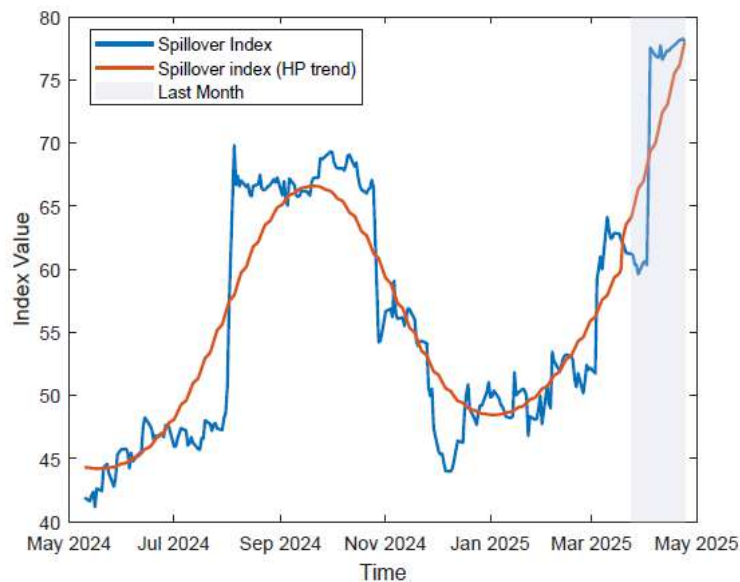
The chart below shows the dynamics of the BET-XT index together with the evolution of Value-at-Risk for a 1% significance level (VaR at 99%) for the next day, estimated under the assumption of normal distribution. Estimates for April indicate that the VaR of the BET-XT index fluctuated in the range 1.1% - 5.4%.

BET-XT Index vs VaR (99%) BET-XT Index



## Market Risk: Spillover Index

### Spillover index

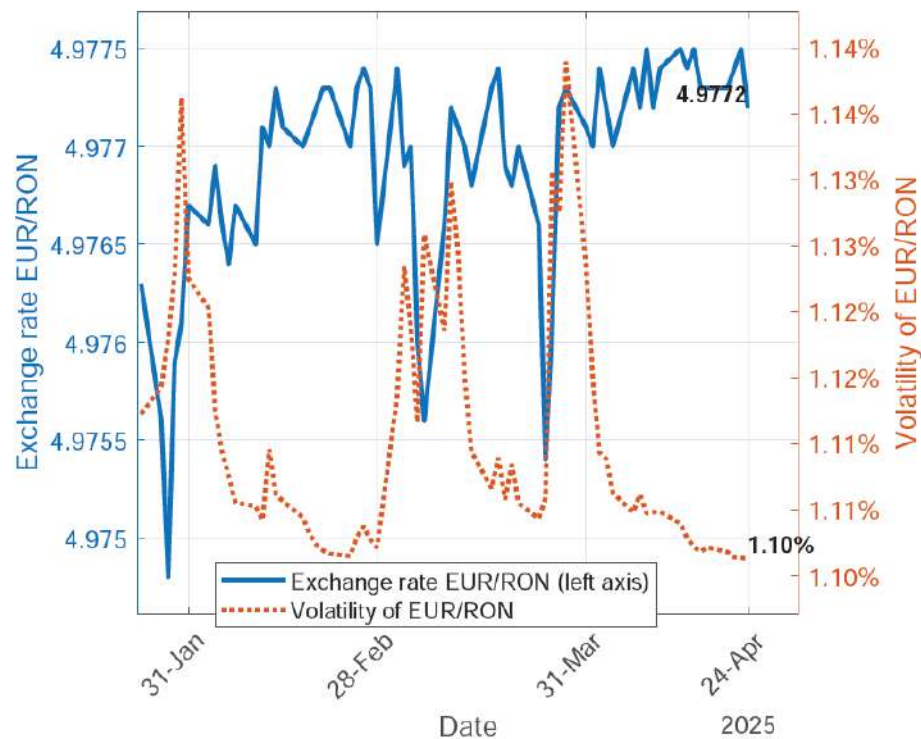


Source: LSEG, ASF calculations

The plot effectively shows the spillover index over time, capturing fluctuations and trends in market dependency. The inclusion of a smoothed trend line (HP trend) is useful for identifying the underlying trend in spillover effects, reducing short-term noise.

In March and April, the contagion index rose rapidly from approximately 52 to almost 78, remaining within the 3-sigma range, which indicates a very high increase in market interconnectedness. The red line (smoothed with HP) confirms that this increase is not just noise — it marks a structural rise in contagion effects, reinforcing the idea that this dynamic has systemic significance. This increase suggests greater synchronization between financial markets, caused by a global macroeconomic shock, specifically the economic shocks generated by US tariff enforcement policies.

## Market Risk: exchange rate volatility

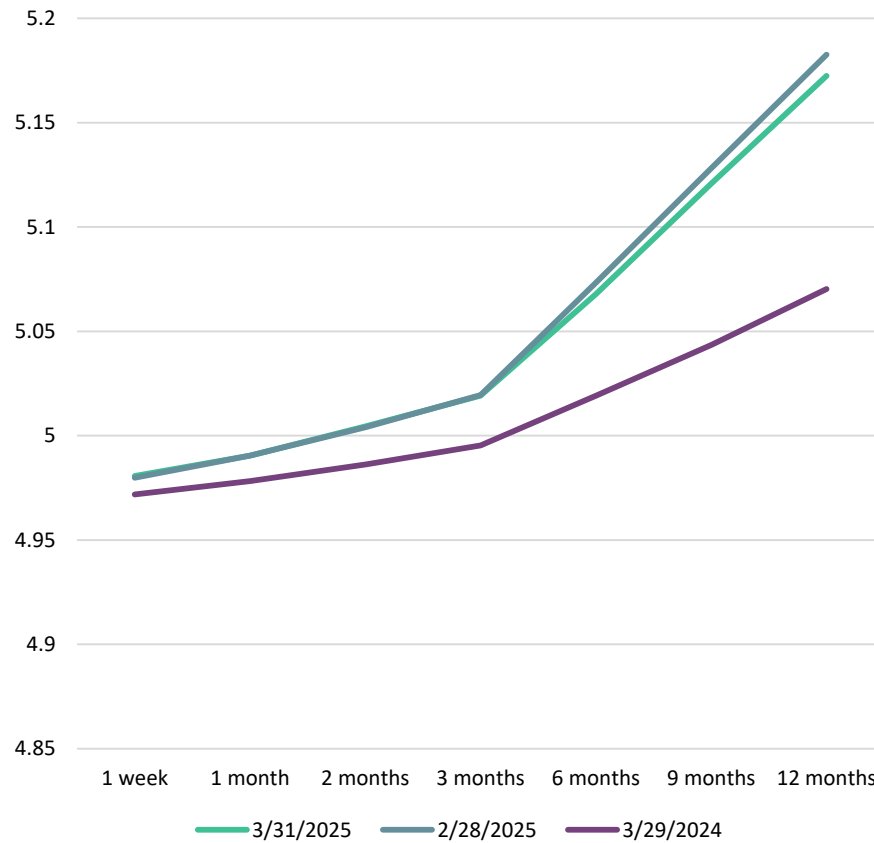


Source: LSEG, ASF calculations

The EUR/RON rate remains tightly bound between 4.9754 and 4.9775, showing remarkable nominal stability over the 3-month window. This is consistent with Romania's managed float regime under inflation targeting — NBR (National Bank of Romania) likely intervenes or signals to dampen volatility. The volatility trend is downward, moving from above 1.24% to 1.11% suggesting reduced perceived macro/monetary uncertainty, anchored inflation expectations, without major speculative pressure on RON. The decline in volatility could reflect successful communication from the ECB or NBR. It also implies a reduction in interest rate differential uncertainty, especially if both regions are stabilizing post-hiking cycles. There's no directional

## Market Risk: term structure of EUR/RON forward rate

Term structure of EUR/RON forward rate



The term structure of the forward rate for the EURRON exchange rate with maturities between one week and twelve months shows the market expectations. There are expectations of EURRON depreciation for maturities between 6 and 12 months with respect to the previous month.

## Liquidity indicators on Romanian Stock Exchange

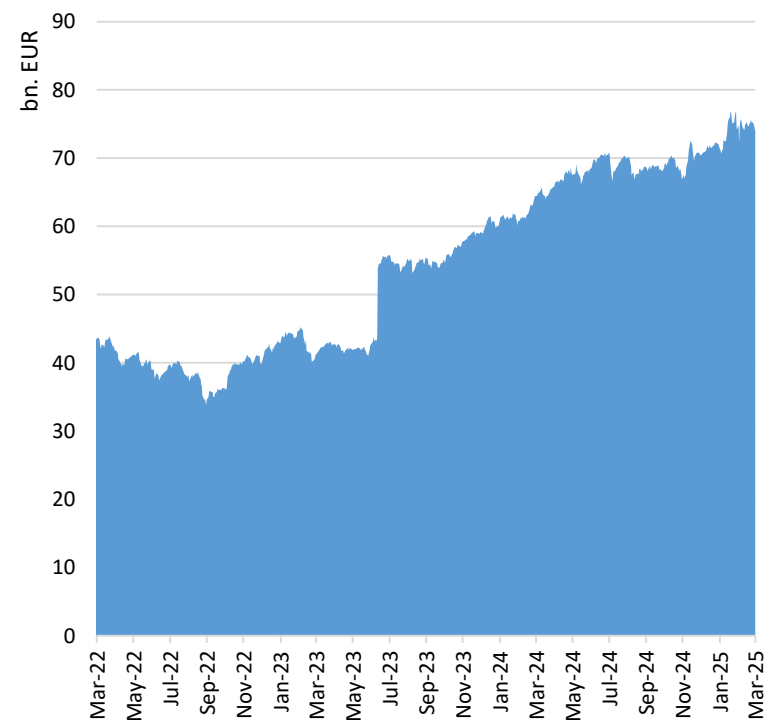
**The market capitalization** showed a 25,1% increase at the end of February 2025 compared to the end of 2023 and a 5.1% increase related to December 2024.

In February 2025, the most traded companies on BSE's main segment were Banca Transilvania (TLV: 29%), OMV Petrom (SNP: 11%) and Hidroelectrica (SNG: 8%).

**The BSE's Main Segment Most Traded Companies during March 2025**

Symbol	Main Market		Deal		Total	
	Value (EUR)	%	Value (EUR)	%	Value (EUR)	%
TLV	61,803,484	31.76%	3,464,073	0.00%	65,267,557	29.28%
SNP	23,942,622	12.30%	1,242,107	5.87%	25,184,729	11.30%
H2O	17,807,167	9.15%	976,218	0.00%	18,783,385	8.43%
SNG	18,249,396	9.38%	489,290	0.00%	18,738,686	8.41%
EVER	705,791	0.36%	12,805,342	60.50%	13,511,133	6.06%
EFO	7,567	0.00%	-	0.00%	7,160,757	3.21%
FP	6,210,024	3.19%	-	0.00%	6,210,024	2.79%
M	4,430,238	2.28%	1,165,407	0.00%	5,595,646	2.51%
BRD	5,542,898	2.85%	-	0.00%	5,542,898	2.49%
DIGI	5,497,142	2.83%	-	0.00%	5,497,142	2.47%
TGN	4,385,711	2.25%	579,690	0.00%	4,965,401	2.23%
SNN	4,857,748	2.50%	-	0.00%	4,857,748	2.18%
PE	4,811,329	2.47%	-	0.00%	4,811,329	2.16%
SFG	3,702,119	1.90%	-	0.00%	3,702,119	1.66%
EL	3,641,754	1.87%	-	0.00%	3,641,754	1.63%
Top 15 Total					86.80%	

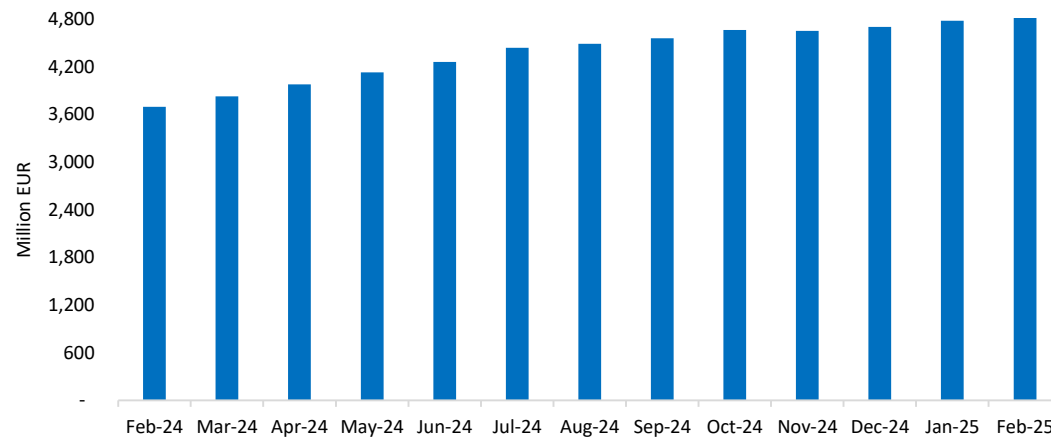
**Market capitalization**



Source: BVB, ASF

## Specific developments in the investment funds sector

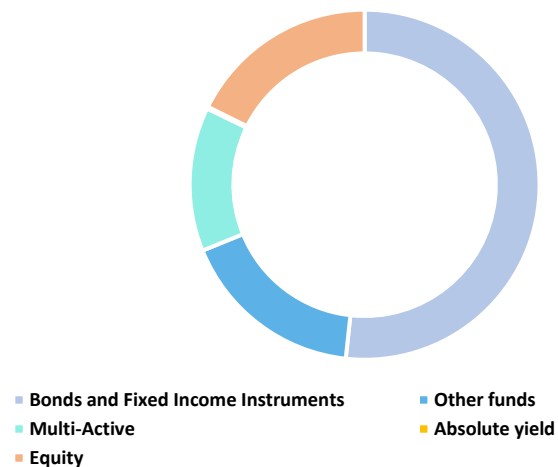
Evolution of net assets of open-end investment funds



According to data published by AAF, net assets of open-end investment funds (OeIF) stood at EUR 4.86 billion in February 2025, up compared to the previous month (EUR 4.78 billion).

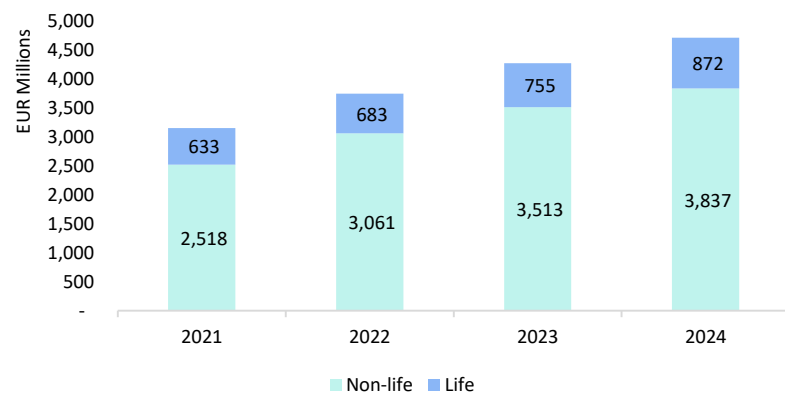
In February 2025, open-end bond and fixed income instruments funds hold the largest share in total net assets of OeIF (around 52%), while equity funds have a market share of approximately 18%.

Open-end investment funds' market share by Fund Type and Net Asset (February 2025)

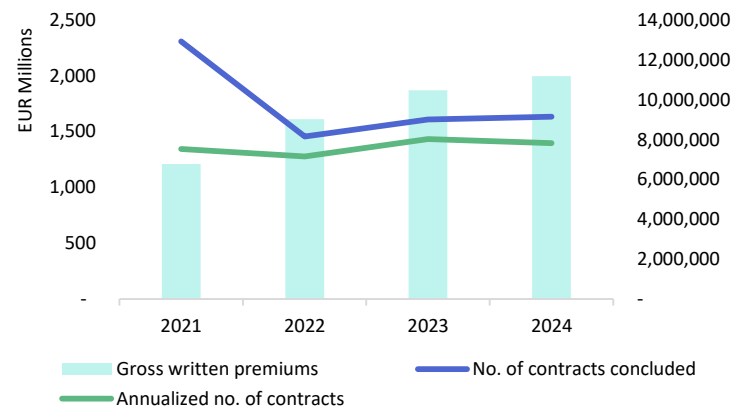


## Specific developments in the insurance market in Romania

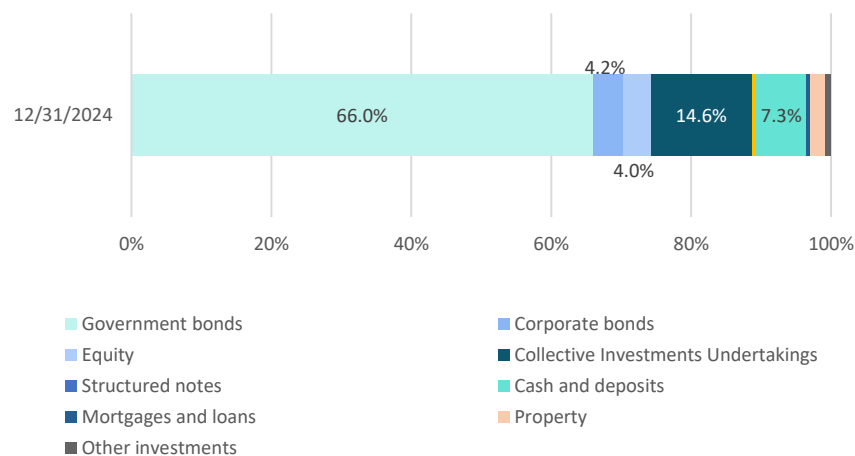
Gross written premiums\*



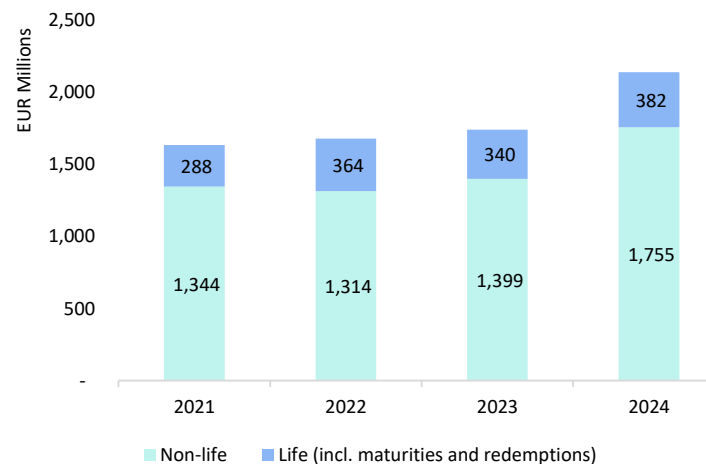
MTPL gross written premiums\*\*



Investment structure of insurance companies

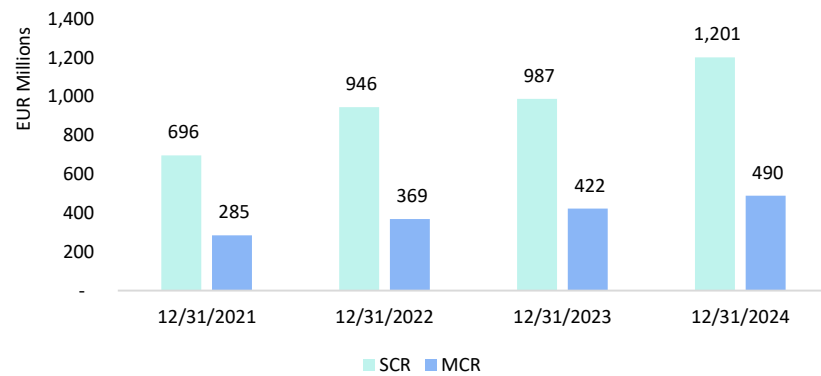


Gross claims paid\*

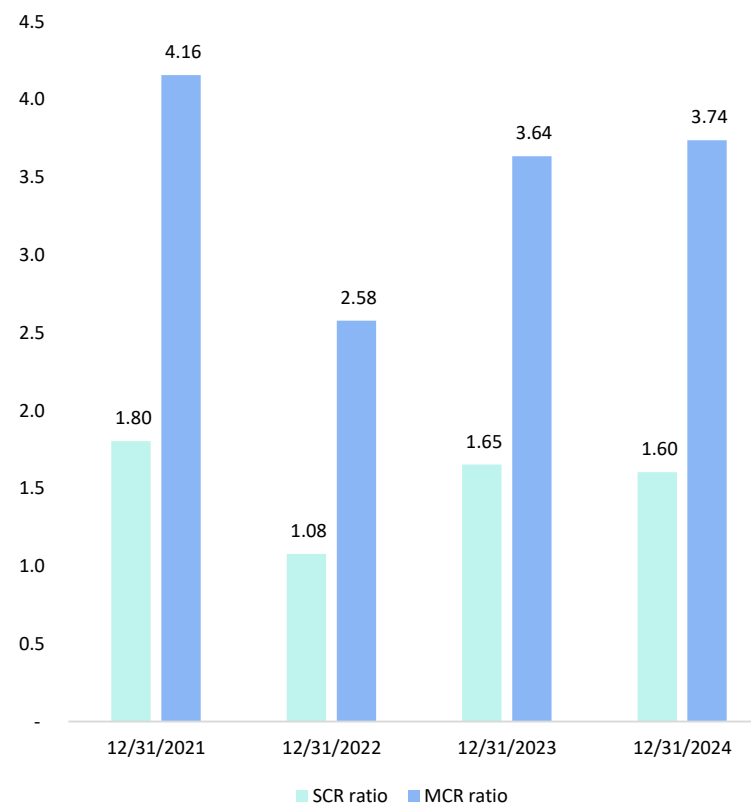


## Specific developments in the insurance market in Romania

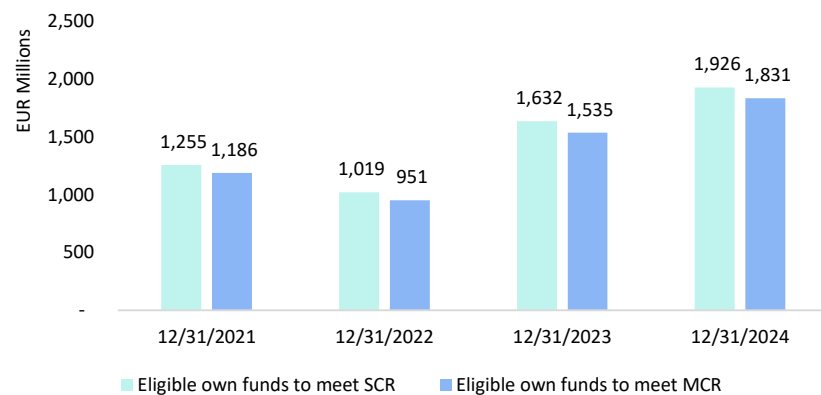
Evolution of capital requirements (SCR and MCR)



SCR and MCR ratio



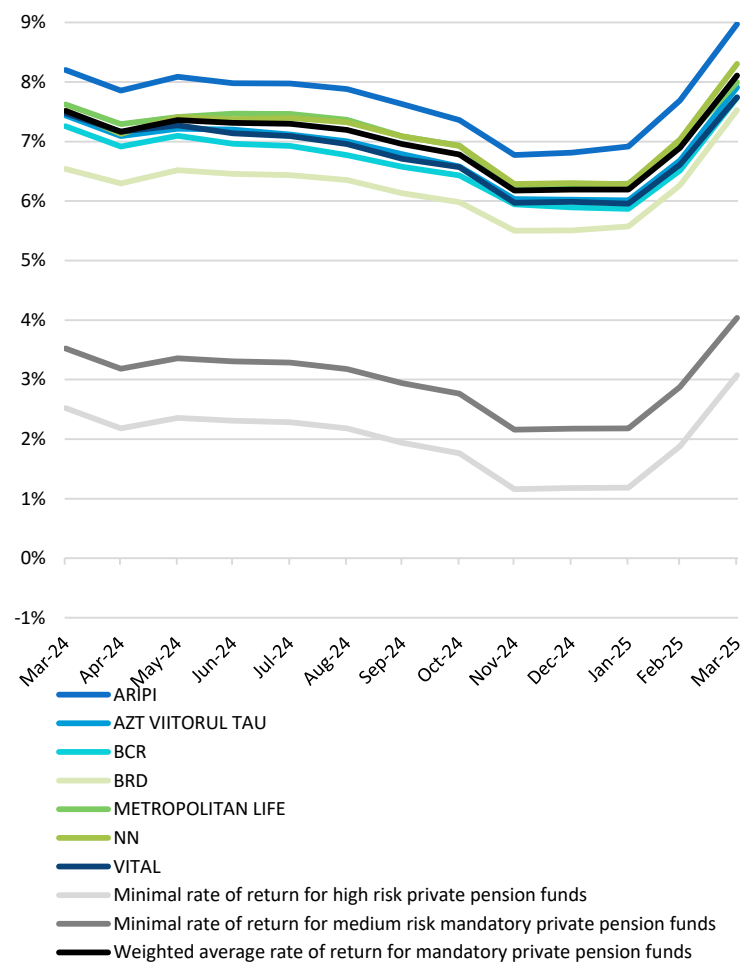
Total eligible own funds to meet the SCR and total eligible own funds to meet the MCR





## Specific developments in the mandatory private pension funds sector (2nd Pillar):

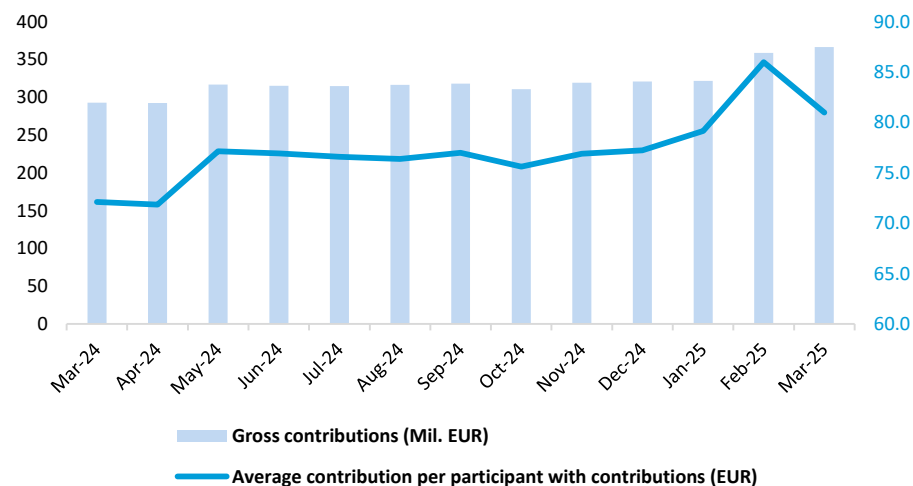
Rate of return for mandatory pension funds



Total assets (EUR), number of participants and return rates 31-Mar-25

Mandatory pension fund	Total Assets (EUR)	Participants (persons)	Annualized 60 months return rate
ARIPi	2,976,665,015	899,012	8.9732%
AZT VIITORUL TAU	6,678,569,141	1,700,090	7.9096%
BCR	2,361,642,188	806,453	7.7368%
BRD	1,450,733,427	592,517	7.5266%
METROPOLITAN LIFE	4,506,307,928	1,149,989	7.9943%
NN	10,760,305,273	2,122,751	8.3045%
VITAL	3,280,337,382	1,060,970	7.7432%
<b>Total</b>	<b>32,014,560,355</b>	<b>8,331,782</b>	

Evolution of gross contributions (EUR)



Source: ASF

## Specific developments in the mandatory private pension funds sector (2nd Pillar):

### Mandatory pensions funds' aggregate portfolio

31 March 2025

Assets categories	Assets value (EUR)	% of Total assets
Government bonds	21,628,201,047	67.6%
Equity	7,420,024,402	23.2%
Corporate bonds	1,413,523,850	4.4%
Investment funds	1,001,972,046	3.1%
Deposits	537,355,809	1.7%
Derivatives	83,253,647	0.3%
Supranational bonds	47,405,841	0.1%
Private equity	27,576,874	0.1%
Exchange traded commodities	22,466,186	0.1%
Derivatives	(142,422)	0.0%
Other assets	(167,076,924)	-0.5%
<b>Total</b>	<b>32,014,560,355</b>	<b>100.0%</b>

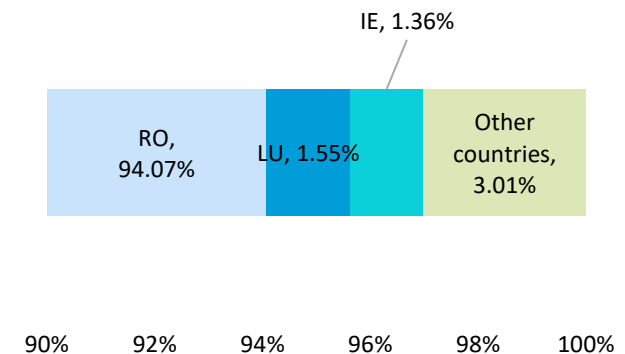
The value of the total assets of the privately managed pension funds reached EUR 32 billion at the end of March 2025, with an annual increase of 18%, compared to March 2024.

Approximately 94% of the assets were invested locally, the majority being denominated in RON. Most Romanian instruments are represented by government bonds and equities listed on the Bucharest Stock Exchange.

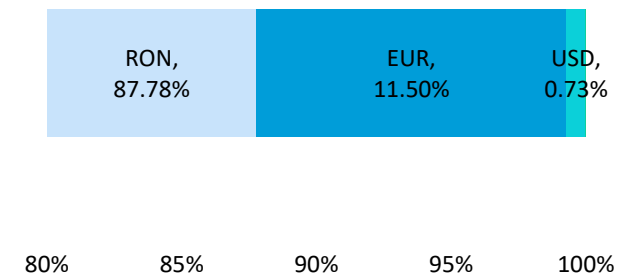
The value of gross contributions in March 2025 was EUR 366 millions, while the average contribution was EUR 81.

Source: ASF

### Country exposure

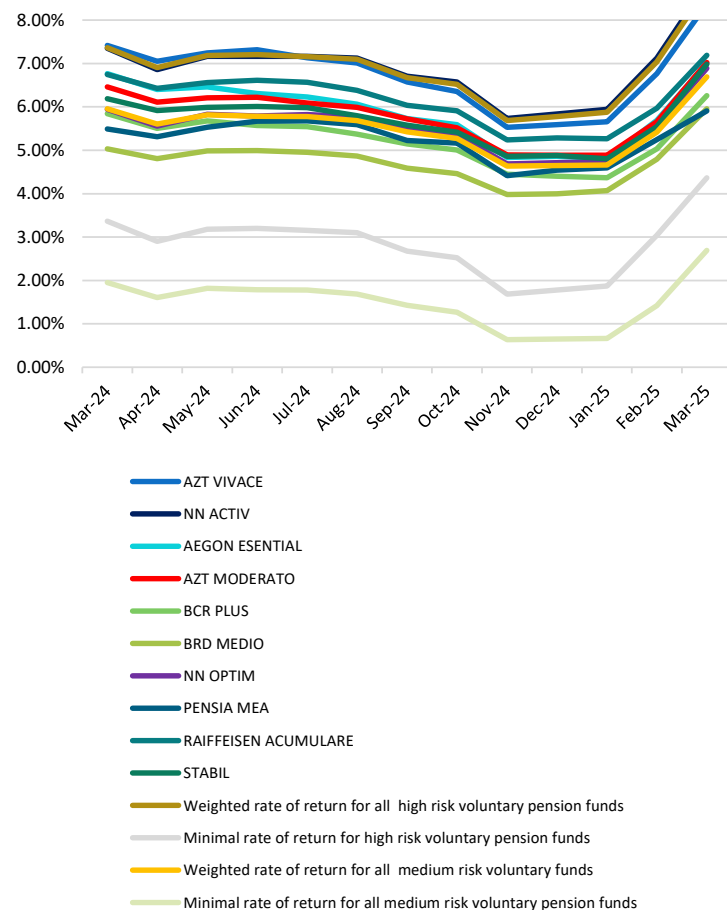


### Currency exposure



## Specific developments in the voluntary private pension funds sector (3rd Pillar):

Rate of return for voluntary pension funds

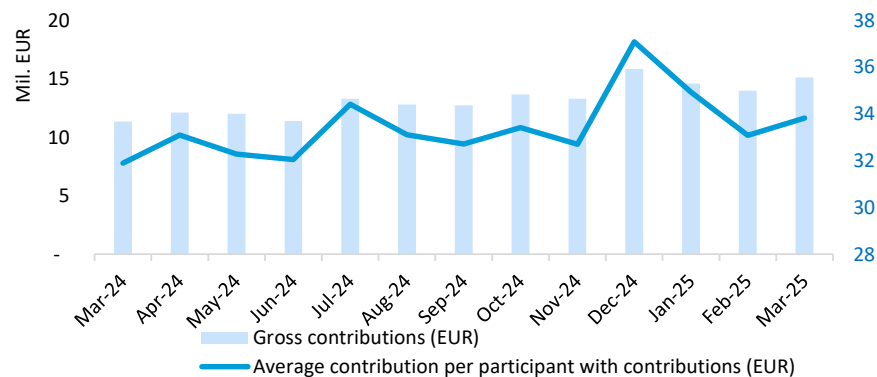


Total assets (EUR), number of participants and return rates

31-Mar-25

Voluntary pension fund	Total assets (EUR)	Participants (persons)	Annualized 60 months return rate
FPF AZT MODERATO	106,988,933	51,087	7.0231%
FPF AZT VIVACE	37,812,035	22,865	8.3679%
FPF BCR PLUS	176,518,156	163,500	6.2587%
FPF BRD MEDIO	52,624,119	36,966	5.9560%
FPF ESENTIAL	3,708,921	5,051	7.0053%
FPF NN ACTIV	150,212,966	84,675	8.8390%
FPF NN OPTIM	513,047,682	282,498	6.8883%
FPF PENSIA MEA	65,066,284	112,032	5.9067%
FPF RAIFFEISEN ACUMULARE	60,167,773	107,393	7.1887%
FPF STABIL	10,694,111	5,905	6.9837%
<b>Total</b>	<b>1,176,840,981</b>	<b>871,972</b>	

Evolution of gross contributions (EUR)



Source: ASF

## Specific developments in the voluntary private pension funds sector (3rd Pillar):

### Voluntary pensions funds' aggregate portfolio

31 March 2025

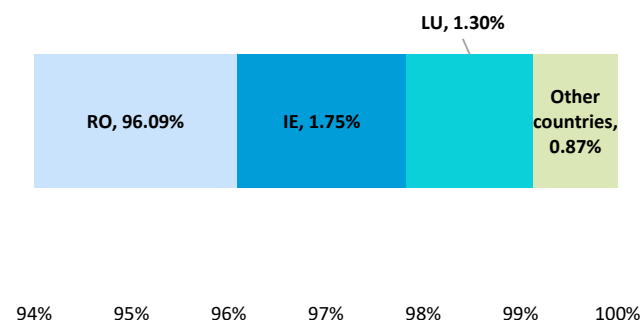
Assets categories	Assets value (EUR)	% of Total assets
Government bonds	781,800,770	66.4%
Equity	295,865,721	25.1%
Corporate bonds	42,905,366	3.6%
Investment funds	33,883,207	2.9%
Deposits	17,067,032	1.5%
Municipal bonds	8,030,677	0.7%
Private equity	2,282,861	0.2%
Exchange traded commodities	1,687,100	0.1%
Supranational bonds	818,516	0.1%
Derivatives	298,228	0.0%
Other assets	(7,798,496)	-0.7%
<b>Total</b>	<b>1,176,840,981</b>	<b>100.0%</b>

At the end of March 2025, the voluntary pension funds' total assets value was EUR 1.18 billions, with an annual increase of 16%, compared to March 2024.

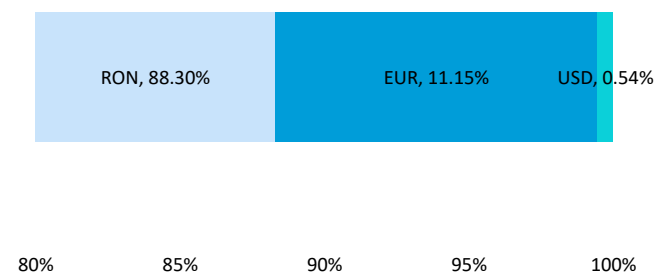
The funds' portfolios were generally invested in local assets, in a percentage of 96%, the majority being denominated in RON (89%).

The value of gross contributions in March 2025 was EUR 15 millions, while the average contribution was EUR 34.

### Country exposure



### Currency exposure



Source: ASF

## Press releases and publications of European financial institutions

### ESMA

[Warning on the use of AI for investing](#)

[Guidelines on certain aspects of the suitability requirements and format of the periodic statement for portfolio management activities under MiCA](#)

[ESMA makes recommendations for the supervision of STS securitisations - Press Release](#)

[Joint Committee Report on the implementation and functioning of the Securitisation Regulation](#)

[Joint Committee Update on Risks and Vulnerabilities in the EU Financial System – Spring 2025](#)

[List of Synthetic Securitisations notified to ESMA](#)

[Report on 2024 Corporate reporting enforcement and regulatory activities](#)

[ESMA fines Modefinance S.r.l. EUR 420,000 for misleadingly using ESMA's name in statements related to its credit rating activities - Press Release](#)

[Consultation Paper on the Technical Standards on the European Green Bond Regulation](#)

[Technical Advice to the European Commission on the amendments to the research provisions in the MiFID II Delegated Directive in the context of the Listing Act](#)

[Final Report on the Common Supervisory Action on ESG disclosures under the Benchmarks Regulation](#)

[Final Report on SI notification, volume cap and circuit breakers](#)

[Final Report on the Technical Standards specifying the criteria for establishing and assessing the effectiveness of investment firms' order execution policies](#)

[TRV Article - Fund names: ESG-related changes and their impact on investment flows](#)

[Contact points of national supervisory authorities for communication in the MiFID II framework on supervisory cooperation, authorisation, acquisitions and passporting](#)

[Final Report on the Draft Regulatory Technical Standards on Liquidity Management Tools under the AIFMD and UCITS Directive](#)

[Final Report on the Guidelines on LMTs of UCITS and open-ended AIFs](#)

### EIOPA

[Joint Committee – Annual Report 2024](#)

[Costs and past performance report](#)

[Joint Committee Update on risks and vulnerabilities in the EU financial system - Spring 2025](#)

[Joint Committee Report on the functioning of the securitisation regulation \(SECR\)](#)

[Technical advice on standard formula capital requirements for crypto assets](#)

### ESRB

[ESRB risk dashboard, March 2025 \(Issue 51\)](#)



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The report reflects the latest available statistical data, some of which are provisional and will be revised in future editions.

The frequency with which information in tables and graphs is updated is highest for stock market indicators, macroeconomic indicators and investment and pension fund indicators, with most updates occurring monthly, while insurance market indicators are usually updated quarterly.