

CFA Macroeconomic Confidence Index, up one point in September

The Macroeconomic Confidence Index of CFA Society Romania increased in September 2020 by one point on a monthly basis to 34.3 points, according to a press statement released on Monday.

Y-o-y, the indicator decreased by 13.2 points.

The development was due to the Current Conditions component of the index.

Thus, the Current Conditions index increased from the previous month by 10.5 points to 33.0 points (compared to the same month of the previous year, the Current Conditions index decreased by 32.3 points). The Anticipation index increased by 3.8 points in August 2020 to 35.0 points (compared to the same month of the previous year, the Anticipation index decreased by 3.7 points).

Regarding the euro / lei exchange rate, 96% of the participants anticipate a depreciation of the lei in the next 12 months (compared with the current value), with no opinion on the appreciation of the lei. Thus, the average value of the anticipations for the 6-month horizon is 4.9284 lei to the euro, while for the 12-month horizon the average value of the anticipated exchange rate is practically 5 lei to the euro (4.9996), given that the individual anticipations varied between 4.8700 and 5.2500 lei.

The anticipated inflation rate for the 12-month horizon (October 2021 / October 2020) got an average value of 2.87%.

It is noteworthy that 64% anticipate an increase of Romania's risk premium, as measured by the country default spreads (CDS), in the next 12 months.

Since April 2020, additional questions have been added to the survey on the impact of the coronavirus crisis on the national economy, and the results for September 2020 show: the duration of the economic impact of coronavirus - most respondents (52%) anticipate that it will be felt strongly by the third quarter of 2021; a national government deficit anticipated to average 7.9% in 2020; real term GDP developments in 2020 anticipated to average -4.5%.

At the same time, unemployment at the end of 2020 is expected to average 6.0%.

Also, 56% of the survey participants expect remote work to stay, while the impact of the extensive use of remote work on the rental of AA space will be long-lasting (several years), according to 52% of the participants, or even permanent, according to 40% of the participants in the survey.

At the same time, the extensive use of remote work should have an impact on increasing demand for residential properties, believe 52% of the survey participants.

The Macroeconomic Confidence Index was launched by CFA Society Romania in May 2011 as an index to quantify the expectations of financial analysts regarding economic activity in Romania for a period of one year.

Also, the survey on the basis of which the index is calculated includes questions related to the assessment of current macroeconomic conditions.