

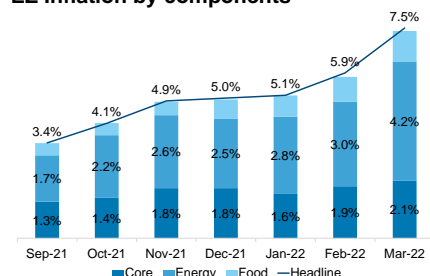
# Week Ahead

Focus: EZ inflation and GDP

Analyst:

**Gerald Walek**  
[gerald.walek@erstegroup.com](mailto:gerald.walek@erstegroup.com)

**EZ Inflation by components**



Source: Eurostat, Erste Group Research

## EZ – inflation stable at a high level?

Next week (April 29), a first flash estimate of Eurozone inflation for April will be published. In March, inflation rose to an all-time high of 7.5% y/y, up from 5.9% y/y in February. A further significant increase in energy prices (+44.7%) and food prices (5.0% y/y) was largely responsible for this.

Based on our assessment, inflation will probably stabilize at a high level in April. On the one hand, we expect food inflation to rise further. The rise in prices on the world markets for agricultural commodities is only passed on from producers to consumers with a time lag. We therefore expect the rise in consumer food prices to continue for some months. By contrast, based on the price trend for gasoline and diesel in April, energy inflation could ease somewhat in April. However, the development of gas and electricity prices is a factor of uncertainty in this context, as the substantial increase in wholesale gas and electricity prices is also passed on to consumers with a time lag. We expect core inflation (+3.0% in March) to remain at a high level.

We expect food prices in particular to be a key driver of inflation in the months ahead. The development of core inflation will also come into focus. An upward trend in prices can already be observed for individual components (tourism, vehicles and housing). It will now be necessary to observe the extent to which continued problems in supply chains caused by the war in Ukraine and Covid-19 lockdowns in China, as well as rising wage demands, will impact the dynamics of core inflation. We currently forecast inflation of 6.1% for 2022 as a whole. In the current environment, however, the risks to this forecast are still tilted to the upside. In the short term, the development of energy prices represents the biggest uncertainty factor for our inflation forecast.

## EZ – growth acceleration in 1Q 2022

Next week (April 29), a first flash estimate of Eurozone GDP growth for 1Q22 will also be published. In 4Q21, growth slowed significantly to 0.3% q/q. In 3Q21, growth was still 2.3% q/q. The main reason for this was Covid-19 related retrenchment measures, as well as supply chain issues leading to industrial production bottlenecks.

For 1Q22, we expect a slight acceleration of growth. On one hand, restriction measures to contain Covid-19 were already largely lifted in many Eurozone countries in February. On the other hand, there were initial signs of an easing of the situation in supply chains until the outbreak of the war in Ukraine. On average, industrial production therefore rose by 1.5% from January to February compared with 4Q21. However, the situation is already expected to have deteriorated again in March. In

## Erste Group Research

Week Ahead | Major Markets | Eurozone, USA

22. April 2022

Gudrun Egger, CEFA (Head)

Rainer Singer (Senior Economist EZ, USA)

Gerald Walek, CFA (Economist EZ)

Margarita Grushanina (Economist AT, Quant.  
Analyst EZ)

Note: Past performance is not necessarily  
indicative of future results

addition, increased inventory building in the face of the uncertain geopolitical situation may have had a positive impact on 1Q growth.

In the current environment, the economic outlook is subject to a high degree of uncertainty. We expect high energy prices to have a dampening effect on consumption and industrial production in the coming months. In addition, high energy prices will weigh on the Eurozone's foreign trade balance. However, there is still considerable pent-up demand, particularly in the services sector. Despite the difficult situation, we therefore expect the recovery in services to continue, especially in tourism, which is particularly important in summer for countries such as Spain and Italy. In addition, southern Europe will benefit significantly from EU recovery plan funding in 2022 (to the tune of close to 2% of GDP). We therefore continue to expect GDP growth of 3.5% for 2022.

## Economic calendar

Ctry	Date	Time	Release	Period	Consens	Prior
<b>Eurozone</b>						
EA	29-Apr	11:00	GDP q/q	1Q A	0.3%	0.3%
EA	29-Apr	11:00	GDP y/y	1Q A	5.1%	4.7%
EA	29-Apr	11:00	CPI flash y/y	Apr	7.5%	7.5%
DE	25-Apr	10:00	Ifo Index	Apr	87.2 Index	90.8 Index
DE	29-Apr	10:00	GDP y/y	1Q P	3.8%	1.8%
FR	29-Apr	7:30	GDP y/y	1Q P		5.4%
IT	29-Apr	10:00	GDP y/y	1Q P		6.2%
<b>USA</b>						
	28-Apr	14:30	GDP q/q	1Q A	0.9%	6.9%
	29-Apr	14:30	PCE Deflator	Mar	6.7%	6.4%
<b>China</b>						
	30-Apr	3:45	PMI Index	Apr	46.6 Index	48.1 Index

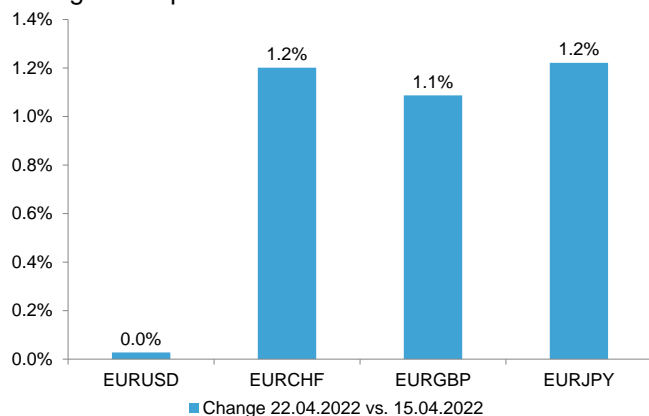
## Central bank events

	Date	Time	Representative	Forum	Location
<b>ECB</b>	25-Apr	19:00	Fabio Panetta	speech	Columbia University New York
	27-Apr	18:00	Christine Lagarde	speech	Manager Magazin
<b>Fed</b>			No monetary policy relevant events		

Source: Market Data Provider, ECB, Federal Reserve, Erste Group Research

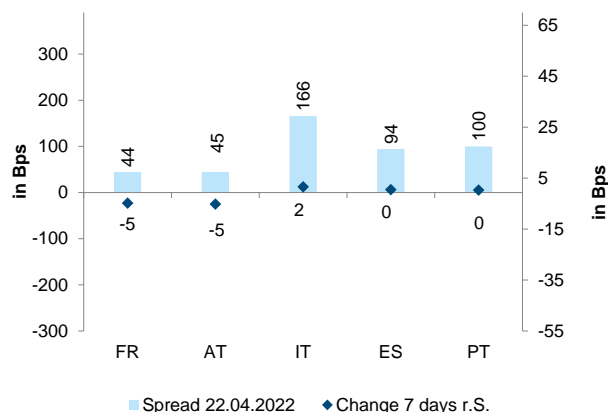
## Forex and government bond markets

### Exchange rates EUR: USD, CHF, GBP and JPY Changes compared to last week



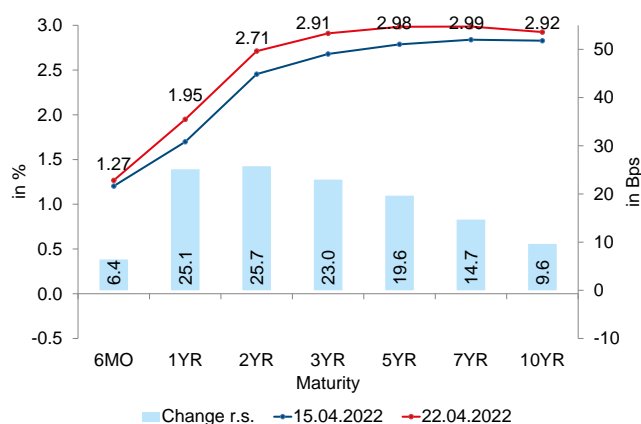
Source: Market Data Provider, Erste Group Research

### Eurozone spreads vs. Germany 10Y government bonds



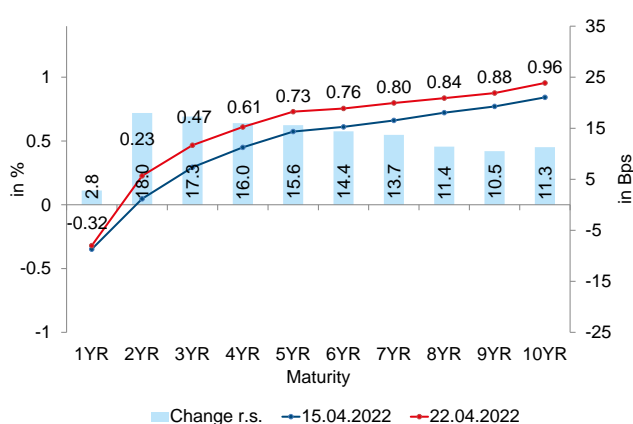
Source: Market Data Provider, Erste Group Research

### US Treasuries yield curve Changes compared to last week



Source: Market Data Provider, Erste Group Research

### DE Bund yield curve Changes compared to last week



Source: Market Data Provider, Erste Group Research

## Forecasts<sup>1</sup>

GDP	2020	2021	2022	2023
Eurozone	-6.5	5.3	3.5	2.5
US	-3.5	5.7	3.3	2.3

Inflation	2020	2021	2022	2023
Eurozone	0.3	2.6	6.1	2.2
US	1.2	4.7	6.2	2.0

Interest rates	current	Jun.22	Sep.22	Dec.22	Mar.23
ECB MRR	0.00	0.00	0.00	0.00	0.25
ECB Deposit Rate	-0.50	-0.50	-0.50	-0.25	0.00
3M Euribor	-0.46	-0.50	-0.50	-0.27	0.00
Germany Govt. 10Y	0.95	0.40	0.50	0.60	0.70
Swap 10Y	1.64	1.00	1.00	1.10	1.10

Interest rates	current	Jun.22	Sep.22	Dec.22	Mar.23
Fed Funds Target Rate*	0.33	1.38	1.88	2.38	2.38
3M Libor	1.14	1.63	2.04	2.46	2.46
US Govt. 10Y	2.92	2.40	2.40	2.40	2.40
EURUSD	1.08	1.11	1.13	1.13	1.15

\*Mid of target range

*In case of changes to our forecasts compared to the previous issue, arrows show the direction of the change.  
 Source: Market Data Provider, Erste Group Research*

<sup>1</sup> Note: In accordance with regulations, we are obliged to issue the following statement:  
 Forecasts are not a reliable indicator of future performance.

## Contacts

### Group Research

**Head of Group Research**  
Friedrich Mostböck, CEFA® +43 (0)5 0100 11902

**CEE Macro/Fixed Income Research**  
Head: Juraj Kotian (Macro/FI) +43 (0)5 0100 17357  
Katarzyna Rzentarzewska (Fixed income) +43 (0)5 0100 17356  
Malgorzata Krzywicka (Fixed income, Poland) +43 (0)5 0100 17338  
Katarina Gumanova +43 (0)5 0100 17336

**Croatia/Serbia**  
Alen Kovac (Head) +385 72 37 1383  
Mate Jelić +385 72 37 1443  
Ivana Rogic +385 72 37 2419

**Czech Republic**  
David Navrátil (Head) +420 956 765 439  
Jiri Polansky +420 956 765 192  
Michal Skorepa +420 956 765 172

**Hungary**  
Orsolya Nyeste +361 268 4428  
János Nagy +361 272 5115

**Romania**  
Ciprian Dascalu (Head) +40 3735 10108  
Eugen Sinca +40 3735 10435  
Dorina Ilasco +40 3735 10436  
Vlad Nicolae Ionita +40 7867 15618

**Slovakia**  
Maria Valachyova (Head) +421 2 4862 4185  
Matej Hornak +421 902 213 591

**Major Markets & Credit Research**  
Head: Gudrun Egger, CEFA® +43 (0)5 0100 11909  
Ralf Burchert, CEFA® (Sub-Sovereigns & Agencies) +43 (0)5 0100 16314  
Hans Engel (Global Equities) +43 (0)5 0100 19835  
Margarita Grushanina (Austria, Quant Analyst) +43 (0)5 0100 11957  
Peter Kaufmann, CFA® (Corporate Bonds) +43 (0)5 0100 11183  
Heiko Langer (Financials & Covered Bonds) +43 (0)5 0100 85509  
Stephan Lingnau (Global Equities) +43 (0)5 0100 16574  
Carmen Riefler-Kowarsch (Financials & Covered Bonds) +43 (0)5 0100 19632  
Rainer Singer (Euro, US) +43 (0)5 0100 17331  
Bernadett Povazsar-Römhild, CEFA® (Corporate Bonds) +43 (0)5 0100 17203  
Elena Stalelov, CIAA® (Corporate Bonds) +43 (0)5 0100 19641  
Gerald Walek, CFA® (Euro, CHF) +43 (0)5 0100 16360

**CEE Equity Research**  
Head: Henning Eßkuchen +43 (0)5 0100 19634  
Daniel Lion, CIAA® (Technology, Ind. Goods&Services) +43 (0)5 0100 17420  
Michael Marschallinger, CFA® +43 (0)5 0100 17906  
Nora Nagy (Telecom) +43 (0)5 0100 17416  
Christoph Schultes, MBA, CIAA® (Real Estate) +43 (0)5 0100 11523  
Thomas Unger, CFA® (Banks, Insurance) +43 (0)5 0100 17344  
Vladimira Urbankova, MBA (Pharma) +43 (0)5 0100 17343  
Martina Valenta, MBA +43 (0)5 0100 11913

**Croatia/Serbia**  
Mladen Dodig (Head) +381 11 22 09178  
Anto Augustinovic +385 72 37 2833  
Magdalena Basic +385 72 37 1407  
Davor Spoljar, CFA® +385 72 37 2825

**Czech Republic**  
Petr Bartek (Head) +420 956 765 227  
Jan Safranek +420 956 765 218

**Hungary**  
József Miró (Head) +361 235 5131  
András Nagy +361 235 5132  
Tamás Pletser, CFA® +361 235 5135

**Poland**  
Cezary Bernatek (Head) +48 22 257 5751  
Piotr Bogusz +48 22 257 5755  
Łukasz Jarćzak +48 22 257 5754  
Krzysztof Kawa +48 22 257 5752  
Jakub Szkopek +48 22 257 5753

**Romania**  
Caius Rapanu +40 3735 10441

### Group Markets

**Head of Group Markets**  
Oswald Huber +43 (0)5 0100 84901

**Group Markets Retail and Agency Business**  
Head: Christian Reiss +43 (0)5 0100 84012

**Markets Retail Sales AT**  
Head: Markus Kaller +43 (0)5 0100 84239

**Group Markets Execution**  
Head: Kurt Gerhold +43 (0)5 0100 84232

**Retail & Sparkassen Sales**  
Head: Uwe Kolar +43 (0)5 0100 83214

**Corporate Treasury Product Distribution AT**  
Head: Christian Skopek +43 (0)5 0100 84146

### Fixed Income Institutional Sales

**Group Securities Markets**  
Head: Thomas Einramhof +43 (0)50100 84432

**Institutional Distribution Core**  
Head: Jürgen Niemeier +49 (0)30 8105800 5503

**Institutional Distribution DACH+**  
Head: Marc Frieberthäuser +49 (0)711 810400 5540  
Bernd Bollhof +49 (0)30 8105800 5525  
Andreas Goll +49 (0)711 810400 5561  
Mathias Gindele +49 (0)711 810400 5562  
Ulrich Inhofner +43 (0)5 0100 85544  
Sven Kienzle +49 (0)711 810400 5541  
Rene Klasen +49 (0)30 8105800 5521  
Christopher Lampe-Traupe +49 (0)30 8105800 5523  
Karin Rattay +43 (0)5 0100 84118  
Michael Schmotz +43 (0)5 0100 85542  
Klaus Vosseler +49 (0)711 810400 5560  
**Slovakia**  
Šarlota Šipulová +421 2 4862 5619  
Monika Směliková +421 2 4862 5629

**Institutional Distribution CEE & Insti AM CZ**  
Head: Antun Burić +385 (0)7237 2439  
Jaromir Malak +43 (0)5 0100 84254

**Czech Republic**  
Head: Ondřej Čech +420 2 2499 5577  
Milan Bartoš +420 2 2499 5562  
Jan Porvich +420 2 2499 5566

**Institutional Asset Management Czech Republic**  
Head: Petr Holeček +420 956 765 453  
Petra Maděrová +420 956 765 178  
Martin Peřina +420 956 765 106  
David Petráček +420 956 765 809  
Blanka Weinerová +420 956 765 317  
Petr Valenta +420 956 765 140  
**Croatia**  
Head: Antun Burić +385 (0)7237 2439  
Zvonimir Tukač +385 (0)7237 1787  
Natalija Zujic +385 (0)7237 1638

**Hungary**  
Head: Peter Csizmadia +36 1 237 8211  
Gábor Bálint +36 1 237 8205  
Ádám Szőnyi +36 1 237 8213  
**Romania and Bulgaria**  
Head: Ruxandra Lungu +40 373516562

**Group Institutional Equity Sales**  
Head: Brigitte Zeitberger-Schmid +43 (0)50100 83123  
Werner Fürst +43 (0)50100 83121  
Josef Kerekes +43 (0)50100 83125  
Cormac Lyden +43 (0)50100 83120

**Czech Republic**  
Head: Michal Řízek +420 224 995 537  
Jiří Fereš +420 224 995 554  
Martin Havlan +420 224 995 551  
Pavel Krabíčka +420 224 995 411

**Poland**  
Head: Jacek Jakub Langer +48 22 257 5711  
Tomasz Galanciak +48 22 257 5715  
Wojciech Wysocki +48 22 257 5714  
Przemysław Nowosad +48 22 257 5712  
Grzegorz Stepień +48 22 257 5713

**Croatia**  
Matija Tkalicanac +385 72 37 21 14

**Hungary**  
Nandori Levente +36 1 23 55 141  
Krisztian Kandik +36 1 23 55 162  
Balasz Zankay +36 1 23 55 156

**Romania**  
Liviu Avram +40 3735 16569

**Group Fixed Income Securities Markets**  
Head: Goran Hobljaj +43 (0)50100 84403

**FISM Flow**  
Head: Aleksandar Doric +43 (0)5 0100 87487  
Margit Hraschek +43 (0)5 0100 84117  
Christian Kienesberger +43 (0)5 0100 84323  
Ciprian Mitu +43 (0)5 0100 85612  
Bernd Thaler +43 (0)5 0100 84119  
Zsuzsanna Toth +36-1-237 8209  
**Poland:**  
Pawel Kielek +48 22 538 6223  
Michał Jarmakowicz +43 50100 85611

**Group Fixed Income Securities Trading**  
Head: Goran Hobljaj +43 (0)50100 84403

**Group Equity Trading & Structuring**  
Head: Ronald Nemec +43 (0)50100 83011

**Business Support**  
Bettina Mahoric +43 (0)50100 86441

## Disclaimer

This publication was prepared by Erste Group Bank AG or any of its consolidated subsidiaries (together with consolidated subsidiaries "Erste Group") independently and objectively as general information pursuant to Art. 36 (2) delegated Regulation (EU) 2017/565 as no direct buying incentives were included in this publication, which is of information character. This publication does not constitute investment research pursuant to Art. 36 (1) delegated Regulation (EU) 2017/565. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to the prohibition on dealing ahead of the dissemination of investment research. The information only serves as non-binding and additional information and is based on the level of knowledge of the person in charge of drawing up the information on the respective date of its preparation. The content of the publication can be changed at any time without notice. This publication does not constitute or form part of, and should not be construed as, an offer, recommendation or invitation to subscribe for or purchase any securities, and neither this publication nor anything contained herein shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or inclusion of a security or financial product in a trading strategy. Information provided in this publication are based on publicly available sources which Erste Group considers as reliable, however, without verifying any such information by independent third persons. While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, Erste Group (including its representatives and employees) neither expressly nor tacitly makes any guarantee as to or assumes any liability for the up-to-dateness, completeness and correctness of the content of this publication. Erste Group may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that Erste Group endorses, recommends or approves any material on the linked page or accessible from it. Neither a company of Erste Group nor any of its respective managing directors, supervisory board members, executive board members, directors, officers or other employees shall be in any way liable for any costs, losses or damages (including subsequent damages, indirect damages and loss of profit) howsoever arising from the use of or reliance on this publication. Any opinion, estimate or projection expressed in this publication reflects the current judgment of the author(s) on the date of publication of this document and do not necessarily reflect the opinions of Erste Group. They are subject to change without prior notice. Erste Group has no obligation to update, modify or amend this publication or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. The past performance of securities or financial instruments is not indicative for future results. No assurance can be given that any financial instrument or issuer described herein would yield favorable investment results or that particular price levels may be reached. Forecasts in this publication are based on assumptions which are supported by objective data. However, the used forecasts are not indicative for future performance of securities or financial instrument. Erste Group, its affiliates, principals or employees may have a long or short position or may transact in the financial instrument(s) referred to herein or may trade in such financial instruments with other customers on a principal basis. Erste Group may act as a market maker in the financial instruments or companies discussed herein and may also perform or seek to perform investment services for those companies. Erste Group may act upon or use the information or conclusion contained in this publication before it is distributed to other persons. This publication is subject to the copyright of Erste Group and may not be copied, distributed or partially or in total provided or transmitted to unauthorized recipients. By accepting this publication, a recipient hereof agrees to be bound by the foregoing limitations.

Erste Group is not registered or certified as a credit agency in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the Credit Rating Agencies Regulation). Any assessment of the issuers creditworthiness does not represent a credit rating pursuant to the Credit Rating Agencies Regulation. Interpretations and analysis of the current or future development of credit ratings are based upon existing credit rating documents only and shall not be considered as a credit rating itself.

© Erste Group Bank AG 2022. All rights reserved.

### Published by:

**Erste Group Bank AG**  
**Group Research**  
**1100 Vienna, Austria, Am Belvedere 1**  
**Head Office: Wien**  
**Commercial Register No: FN 33209m**  
**Commercial Court of Vienna**

**Erste Group Homepage:** [www.erstegroup.com](http://www.erstegroup.com)