CEE Insights

Fixed Income and Foreign Exchange

Looking ahead this week

Monday	Tuesday	Wednesday	Thursday	Friday
CZ: PPI **PL:** Wages	**HU:** Target Rate **SK:** PPI **PL:** Industry, Retail, PPI **SK:** Current Account	**RS**: Current Account **SK**: Unemployment	**CZ:** Target Rate **HU**: Current Account **SI:** PPI	**HU**: Trade Balance **HR, PL**: Unemployment

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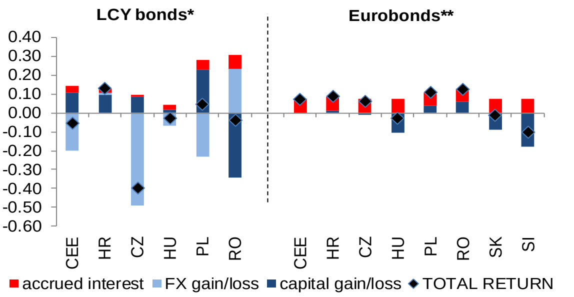
This week will be all about central banks in the region. On Tuesday, the Hungarian central bank is expected to release the operational details of the already announced 5Y & 10Y IRS program and the mortgage bond buying program. The announcements of the central bank have already caused the 10Y yield to plummet by around 90bp since the end of summer. On Thursday, the central bank will release new economic forecasts as well; we are curious as to where inflation will be forecast, as our current expectation (3.2% on average for 2018) is considerably above the bank's assumption (currently at 2.5%). Also on Thursday, the CNB may already increase the policy rate 25bp to 0.75%. It will be a close call, however, as Governor Rusnok said that he sees the likelihood at approx. 50:50. Board members Benda and Hampl took a more hawkish stand, with the latter indicating the possibility of up to six hikes next year. Inflation was 2.6% in November, according to last week's data, a shade lower than our call, but wage growth is under upward pressure from increasing job vacancies and low unemployment.

In case you missed it last week…

- S&P and Fitch upgraded Serbia's rating to BB from BB-
- Inflation reading (3% in November) signals almost certain overshooting of NBR's year-end forecast
- Probability of delivering first 25bp rate hike at January meeting has increased in Romania
- New Polish PM Morawiecki received confidence vote, Czech PM Babis will face confidence vote January 9
- Croatian central bank intervened on FX market to tame appreciation pressure on HRK

For other events last week, please check respective countries: HR, CZ, HU, PL, RO, TR, SI, SK, SR



On Radar

Among the most important events to come in CEE next year are the Czech presidential elections scheduled for January, in which current President Zeman will try to secure another term. Parliamentary elections will be held in the spring in Hungary, where the only question is whether the Fidesz-led government takes a supermajority in the Parliament. In Slovenia, parliamentary elections are scheduled for July and a change in leadership is very likely. The overhaul of the social contribution system in Romania brings many unknowns to budget revenue projections. However, we see some potential upside in the collection of social contributions in 2018, due to tighter legal aspects regarding tax avoidance by companies. The new Jaguar Land Rover car plant in western Slovakia should start production towards the end of the year. Croatia will test the waters and intensify discussion about future euro adoption among both the public and EA partners. The ECB's QE program will be nearing the end and thus discussion about the start of monetary tightening will intensify in CEE in countries that have not had to do so, such as Poland. Hungary is likely to continue in its monetary policy experiment, using very powerful unconventional monetary tools to keep long-term interest rates low. (For further details, see the next page.)

Elections in three countries, overhaul of social contribution system, launch of new car production, divergence in monetary policies are among most decisive events in CEE to come in 2018

Most decisive events for CEE economies in 2018

'*What could be the most decisive event for your country's economy next year?'*

Croatia: The most important economic event in Croatia for 2018 could be related to the intensification of the Agrokor restructuring process. However, in our baseline scenario, we do not expect more significant market shocks. The process is likely to continue to weigh on the growth profile, though in the baseline scenario this is still seen as having a modest impact. The fiscal position is anticipated to remain prudent; hence, we continue to see a rating upgrade by one notch as a baseline factor. The recently presented Euro Strategy document, apart from a kick-off of the public debate about EMU membership, could also mean that 2018 will provide more insight on how strongly the government is going to pursue this goal, and to what extent the process could get support from EU counterparties. We also could get a clearer outlook on the prospects for Schengen membership in the near term.

Czech Republic: We believe that the most important news for the Czech economy in 2018 will come from the political scene. Assuming that the new government will obtain support in the Parliament, the question is what ANO, the dominant party, will have offered to the parties that will give the government their support. Some of the possibilities that are relevant for the economy are a bank levy (as called for by the Communists) and a referendum on membership of the country in the EU (as called for by the SPD party). The other relevant political development is the outcome of presidential elections to be held in January. Milos Zeman, the current president, is a strong supporter of economic ties with China and Russia. All other candidates have much more pro-Western leanings. We see Zeman as the most likely winner of the elections.

Hungary: Parliamentary elections will be held in the spring, and according to polls, it is very likely that the incumbent Fidesz-led government will win its third consecutive term since 2010. The only question is whether the government takes a supermajority in the Parliament. Regardless of Fidesz getting a simple or supermajority of the mandates, we expect no changes in the fiscal policy looking forward, i.e. the ESA deficit should remain below 3% of GDP. The central bank embarked on a mortgage bond purchase program and the unconditional interest rate swap program starting in January. Both programs will likely last throughout 2018 and keep local government bond yields anchored at historically depressed levels.

Poland: Next year, all eyes will be on the MPC, as we see the rate hike, or rather a lack of it, as the most decisive event for the Polish economy next year. Recently, the pressure for the MPC to consider monetary tightening has been rising. Currently, few economists see the first rate hike already in 3Q18, but a majority of them expect monetary tightening to begin in 4Q18. At this point, we penciled in the first rate hike in 4Q18 as well. However, we see some risks that the policy rate might remain flat at 1.5% for a longer period of time. As the market prices in higher rates in a year, a 'no hike' scenario would keep interest rates lower than we currently expect and would potentially be negative for the zloty. The risks of such a scenario result from the fact that wage growth has not translated into more visible inflationary pressure, as core inflation is still low. Furthermore, its rebound may be outweighed by a lower contribution of food and energy prices next year, limiting the pressure for a rate hike.

Romania: Keeping the headline budget deficit at 3% of GDP in the context of generous pay hikes approved in the public sector is paramount for Romania in 2018. A slowdown in the economic growth will add pressure on next year's local budget revenues, while absorption of EU funds is surrounded by uncertainties. On top of this, important fiscal changes like the transfer of social insurance contributions from the employer to the employee will complicate the overall picture of budget revenues because it introduces some unknowns, like the increase in gross wages in the private sector to compensate for the effect on net wages. Potential upside for budget revenues is represented by additional social contributions likely to be collected in 2018, due to tighter legal aspects regarding tax avoidance by companies.

Serbia: Due to the disappointing economic performance in 2017 (negative one-offs in the agriculture and energy sectors), the focus of economic policymakers next year will be on growth-enhancing policies, which we put at the top of the major economic events list. The adopted budget proposal for 2018 envisages a notable increase in the capital budget, as the government announced a strong public investment cycle, increase in public wages and pensions, increase of personal allowance and introduction of tax breaks for start-ups. In addition, the government adopted a new bankruptcy law, which should stimulate 'creative destruction' in the economy. Besides the more expansionary economic policy stance, we also see February 2018 as an important month in which the successful IMF precautionary stand-by arrangement will end (although we expect a continuation of the IMF's presence in Serbia through the Policy Coordination Instrument).

Slovakia: As regards domestic affairs, next year should be relatively calm, as there no major political events scheduled. From an economic perspective, the new Jaguar Land Rover car plant in western Slovakia should start production towards the end of the year. JLR will be the fourth car maker in Slovakia and should contribute substantially to employment and economic growth. The ECB's QE program is expected to run at least until September; thus, the accommodative monetary conditions should be in place for a while. From an international perspective, Slovakia will closely watch the political situation in Germany, which is still in the midst of trying to form a coalition government, alongside Italian elections scheduled for the spring and developments on Brexit and the US administration's next steps.

Slovenia: Politics will definitely be in focus in Slovenia, as current PM Cerar lost public support ahead of parliamentary elections scheduled for July 2018 (last polls show that Cerar was at the bottom of the candidate list with 5.5% support). Current favorites in the race for new PM and the government are former comedian Marjan Sarec (List of Marjan Sarec) and leader of the Social Democrats Dejan Židan. However, in terms of economic policy, we do not expect any major changes down the road, whatever the outcome of the elections will be.

Looking ahead

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.	Pre Comment
18. Dec	9:00	**CZ**	**PPI (y/y)**	Nov	*1.3%*	***1.3%***	1.1%	*Higher oil prices and increasing wage costs of firms stood behind inflation of producer prices.*
	14:00	**PL**	**Wages (y/y)**	Nov	*6.9%*	***6.8%***	7.4%	
19. Dec	9:00	**SK**	**PPI (y/y)**	Nov			2.1%	
	14:00	**HU**	**Target Rate**	Dec 19	*0.9%*	***0.9%***	0.9%	*No changes to either policy rate expected - further technical details of IRS and mortgage bond program may be released.*
	14:00	**PL**	**Industrial Production (y/y)**	Nov	*9.0%*	***8.7%***	12.3%	*Ongoing strong momentum supports robust growth.*
	14:00	**PL**	**Retail Sales (y/y)**	Nov	*7.4%*	***7.2%***	8%	*Tight labor market supports strong growth of retail sales.*
	14:00	**PL**	**PPI (y/y)**	Nov	*2.1%*	***2.7%***	3%	
	14:30	**SK**	**Current Account Balance (monthly)**	Oct			72	
20. Dec		**RS**	**Current Account Balance (monthly)**	Oct			-53.1	
		SK	**Unemployment Rate**	Nov	*6.0%*		6.1%	
21. Dec	8:30	**HU**	**Current Account Balance (quarterly)**	3Q	*1055*	***1100***	1750.3	*Due to soaring imports, C/A surplus may shrink in annual comparison.*
	10:30	**SI**	**PPI (y/y)**	Nov			2.3%	
	13:00	**CZ**	**Target Rate**	Dec 21	*0.6%*	***0.8%***	0.5%	*We see slightly higher probability that CNB will increase interest rates in December, as pro-inflationary risk has increased, in our view, and Czech economy has been overheating.*
22. Dec	9:00	**HU**	**Trade Balance**	Oct F			522	
	10:00	**PL**	**Unemployment Rate**	Nov	*6.5%*	***6.5%***	6.6%	*Unemployment rate expected to further decrease and hit record-low values.*
	11:00	**HR**	**Unemployment Rate**	Nov		***12.1%***	11.6%	*Unemployment rate mostly shaped by seasonal factors*

Sources: Bloomberg, Reuters

Major markets

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- The US capital seems set for everything but a tranquil pre-Christmas week. The markets will be closely watching events in Washington to see whether a tax package passes both chambers of Congress successfully. In the Senate, where the Republicans only have a slim majority, concerns reemerged in this regard in recent days. So, intensive negotiations still seem necessary over the weekend. A failure to pass a tax package before Christmas would clearly disappoint the markets. In addition, politicians have to agree on the extension of government funding. The deadline is December 22. It is likely that any agreement will again be on a short-term solution, pushing the issue into next year. No agreement would result in a government shutdown.
- As expected, the interest rate setting body of the US Fed (FOMC) increased the range for the key rate by 0.25% to 1.25-1.5% at the meeting last week. In total, meeting participants did not change their interest rate expectations for the years ahead. The median expectation continues to call for three rate hikes next year and two hikes in 2019. The only major change to the forecasts for macro indicators was for next year's growth rate. The median projection now foresees a growth rate for the fourth quarter of 2.5% y/y vs. 2.1% y/y previously.
- As expected, the ECB Council left all monetary variables unchanged at the last meeting of the year. Accordingly, President Draghi had little news to report at the press conference. He repeatedly stated the greater confidence of the Council that inflation will converge with the ECB's inflation aim, which was based on the significantly increased growth projections of ESZB economists, especially for next year. However, the Council did not want to go any further than that, as the increased growth projections did not lead to higher inflation projections. The forecasts for inflation were increased, but this was exclusively due to higher oil prices entering the calculations. Projections for core inflation, which is a better measure for the price pressure generated domestically, were even reduced.

Croatia

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- November CPI landed at 1.4% y/y, slightly below our call of 1.5% y/y. Looking at the monthly changes of the most relevant categories, we see that the headline figure was mostly shaped by a seasonal fall in food prices and gradual increase of fuel prices. Looking forward, we see inflation moving steadily around the 1.5% y/y mark in the mid run.
- Last week, the Croatian National Bank intervened on the FX market with EUR 345.5mn on the buy side to tame somewhat more pronounced short-term appreciation pressures on the Croatian kuna. Although the EUR/HRK is at a somewhat stronger level this year (better economic and fiscal prospects, CA surplus, etc.), we continue to see a very steady trajectory, suggesting the YE17 figure close to 7.55 and (on average) a modest appreciation pattern.
- After the intervention, the FX EUR/HRK continued to hover steadily around 7.55. Bond markets were also calm, with yields relatively flat on the weekly basis

Czech Republic

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- Year-on-year inflation reached 2.6% in November (0.1% month-on-month) which was 0.3pp lower than in October. The slowdown was due mainly to slower increases of food prices. We expect inflation to react to the Czech National Bank (CNB)'s tightening of monetary policy by gradually falling towards the CNB target of 2% which should be reached roughly towards the end of 2018.
- CNB Governor Rusnok said that the likelihood of the CNB's rates rising in either of the next two meetings (December 2017 and February 2018) is about 50:50. CNB Board member Benda said openly that he would vote for a hike already now in December. Vice-governor Hampl took a similarly hawkish stand indirectly when he said that rates should go up faster than the baseline scenario of the CNB's current forecast suggest, namely, that it is possible to imagine about 6 hikes by the end of 2018. The CNB forecast now implies less than 3 hikes.
- The newly appointed prime minister Andrej Babis presented his government. The vote of confidence will take place in the Parliament on January 9. At this moment, it is entirely unclear whether Babis will be able by then to put together any formal or informal coalition or some other way to win the vote. As of now, the government does not seem to ponder any measures which would have a fundamental impact on the fairly benign outlook of the Czech economy.

Hungary

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- Expansion in the construction industry accelerated to 38.1% y/y in October, from the 23.8% y/y published for September. On the monthly level, output rose 6%. The figures have indicated a rather strong start for the last quarter of this year and suggest that the performance of the sector could remain an important contributor to GDP growth in 4Q17 as well.

Poland

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- The new government, with PM Mateusz Morawiecki and Deputy PM Beata Szydlo, received a confidence vote and was appointed by the president early this week.
- November's inflation was confirmed at 2.5% y/y (0.5% m/m). Such a strong increase was mainly driven by the strong growth of food and beverages prices, which contributed 1.5pp to the inflation figure. We expect inflation to ease in the coming months, which will support the MPC's scenario of stable rates.
- The trade balance arrived at EUR 575mn, with both exports and imports posting double-digit growth. However, the export growth was stronger. Such growth figures translate into a positive contribution of net exports to GDP growth, as was the case with the 3Q17 figure

Romania

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- Industrial production rebounded to 11.6% y/y in October, from 4.3% y/y in September, helped by the export-oriented manufacturing sector, which advanced by 12.9% y/y. Within manufacturing, intermediate goods industry and capital goods industry were the most dynamic. Turnover value shows that turnover for external markets is growing almost twice as fast as for the domestic market. With Eurozone growth at a ten-year high in 2017, local industry is reaping the full benefits of rising foreign demand.
- The inflation rate reached 3.23% y/y (0.66% m/m) in November, from 2.63% y/y in October, exceeding market expectations (Reuters consensus) of 2.95%. Our forecast was 3.1% and the deviation from the actual data came mainly from the underestimation of the increase in the tobacco price. Adjusted CORE2 inflation quickened to 2.3% y/y in November, from 1.96% y/y in October, in a sign that inflationary pressures are gradually accumulating in the economy. The inflation rate will exceed the NBR's target in the first quarter of 2018 and will remain at elevated levels until the end of the next year, boosted by a base effect associated with previous cuts in taxation and the upward trend of food prices.
- The current account deficit (12-month rolling sum) widened to EUR 6bn in October, from EUR 5.2bn in September, due to an increase in the trade deficit for goods and higher dividends outflows. Part of the weakening pressure on the RON from this autumn was thus explained by the higher current account deficit, fuelled in turn by strong household consumption.

Serbia

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- S&P and Fitch Ratings upgraded Serbia's sovereign rating by one notch to BB from BB-. Both rating agencies named improved fiscal situation as the key trigger for rating action.
- November inflation landed at 2.8% y/y, flat on the monthly basis, which was slightly above our call of 2.6% y/y. Looking at the monthly changes, all categories of the consumer basket recorded an increase of prices, excepting food and non-alcoholic beverages, which were 0.7% lower (seasonal factors). Such developments are supportive of our view that the monetary policy stance will remain unchanged in the coming period, as inflation is expected to move steadily inside the 3%+/-1.5pp interval.
- The Serbian Parliament adopted its budget for 2018, with a deficit target of 0.6% of GDP, based on the projection of a 3.5% y/y growth rate. Our view is a bit more conservative, as we see the growth rate at around 2.9% y/y and the deficit figure near 1% of GDP.
- Milder depreciation pressures continued last week, which prompted the NBS to intervene on the FX market with EUR 30mn on the sell side. On Friday, the EUR/RSD stabilized at around 119.2. On the bond market, we did not see any major developments, as benchmark yields stayed relatively flat w/w.

Slovakia

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- Slovak debt agency ARDAL estimates next year's gross funding needs at EUR 4.5bn. It also mentioned that it may open one or two new bond lines via syndicated sale or auction in 2018, which could happen in the spring and autumn. New bonds would include a 10-12Y bond and another short- to medium-term tenor. ARDAL presumes the expected maximum amount to be sold via syndicated sale would be EUR 2bn.
- Parliament approved the 2018 budget proposal. The budget deficit is projected to decrease to 0.8% of GDP, from the 1.3% planned this year (although the deficit is more likely to be closer to 1.5%), mainly thanks to the revenue side. Our 2018 fiscal deficit projection stands at 1% of GDP, as we see a higher impact of expenditures (public sector wage hikes and social benefits). The proposal foresees a balanced budget in 2020, which may be challenging to achieve in an election year.
- Industrial production grew by 5.4% y/y in October (+1.4% m/m), somewhat above expectations. The manufacture of metals was the largest contributor, as it increased by 15.2% y/y. Car production marked a modest increase of 1.8% y/y. Construction production continued its positive trend and rose by 11.9% y/y (+5.7% m/m). After the volatile 3Q17, affected by summer breaks and the different number of working days, October IP returned to more solid growth. Industrial production should keep growing at good rates in 2017, although December is likely to see some impact of Christmas breaks, especially at the major car manufacturers.
- Consumer prices increased by 1.9% y/y (0.3% m/m) in November, slightly above our expectations (1.8%). Both food prices and transport prices grew by 0.9% m/m. Some services also marked a solid monthly increase. Service prices continue to reflect the growing disposable income of households and reinvigorated labor market. Core inflation shifted up to 2.8% y/y. Our 2017 forecast stands at 1.3% on average, up 0.1pp from the previous projection.

Slovenia

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- Real wages posted a 2.4% y/y increase in October, broadly in line with our expectations. Wage dynamics are supported by the tighter labor market, strong performance of the private sector and stable inflation. Looking forward, we see similar wage developments ahead.
- Benchmark yields showed milder compression of around 10bp, putting the EUR 2027 bond yield at 0.62%.

Capital market forecasts

Government bond yields	current	2018Q1	2018Q2	2018Q3	2018Q4
Croatia 10Y	2.53	2.50	2.60	2.70	2.80
spread (bps)	224	192	191	192	191
Czech Rep. 10Y	1.62	1.86	1.89	1.92	1.93
spread (bps)	132	128	120	114	104
Hungary 10Y	2.11	2.00	2.00	2.00	2.00
spread (bps)	182	142	131	122	111
Poland 10Y	3.21	3.55	3.67	3.91	3.91
spread (bps)	291	297	298	313	302
Romania10Y	4.52	4.60	4.80	5.10	5.20
spread (bps)	422	402	411	432	431
Slovakia 10Y	0.60	0.85	0.90	0.95	1.10
spread (bps)	30	27	21	17	21
Slovenia 10Y	0.71	0.90	1.10	1.20	1.30
spread (bps)	42	32	41	42	41
Serbia 7Y	4.70	4.85	4.85	4.90	4.95
DE10Y (BBG)*	***0.29***	***0.58***	***0.69***	***0.78***	***0.89***

FX	current	2018Q1	2018Q2	2018Q3	2018Q4
EURHRK	7.55	7.55	7.35	7.45	7.55
forwards		7.55	7.55	7.55	7.55
EURCZK	25.68	25.40	25.30	25.10	25.00
forwards		25.71	25.71	25.71	25.71
EURHUF	313.6	315.0	315.0	315.0	315.0
forwards		316.7	316.7	316.7	316.7
EURPLN	4.22	4.25	4.23	4.21	4.20
forwards		4.22	4.22	4.22	4.22
EURRON	4.63	4.65	4.65	4.70	4.73
forwards		4.63	4.63	4.63	4.63
EURRSD	119.1	120.0	120.5	120.0	121.5
forwards		-	-	-	-
EURUSD	1.18	1.13	1.11	1.10	-

3M Money Market Rate	current	2018Q1	2018Q2	2018Q3	2018Q4
Croatia	0.56	0.40	0.40	0.40	0.40
Czech Republic	0.76	0.89	1.11	1.11	1.34
Hungary	0.03	0.00	0.00	0.00	0.00
Poland	1.72	1.73	1.75	1.75	1.99
Romania	2.11	2.15	2.45	2.70	2.70
Serbia	3.08	3.00	3.00	3.00	3.00
Eurozone	-0.33	-0.30	-0.30	-0.30	-0.30

Key Interest Rate	current	2018Q1	2018Q2	2018Q3	2018Q4
Croatia	0.50	0.30	0.30	0.30	0.30
Czech Republic	0.5	0.75	1.00	1.00	1.25
Hungary	0.90	0.90	0.90	0.90	0.90
Poland	1.50	1.50	1.50	1.50	1.75
Romania	1.75	2.25	2.50	2.75	2.75
Serbia	3.50	3.50	3.50	3.50	3.50
Eurozone	0.00	0.00	0.00	0.00	0.00

Macro forecasts

Real GDP growth (%)	2016	2017f	2018f	2019f
Croatia	3.2	3.0	2.8	2.9
Czech Republic	2.5	4.4	3.4	2.9
Hungary	2.2	3.9	3.5	3.3
Poland	2.8	4.4	3.7	3.0
Romania	4.8	7.1	4.1	2.4
Serbia	2.8	1.8	2.9	3.0
Slovakia	3.3	3.3	3.9	4.2
Slovenia	3.1	4.6	4.0	3.5
CEE8 average	**3.1**	**4.6**	**3.6**	**3.0**

Average inflation (%)	2016	2017f	2018f	2019f
Croatia	-1.1	1.2	1.6	1.8
Czech Republic	0.7	2.5	2.2	2.0
Hungary	0.4	2.3	3.2	3.5
Poland	-0.6	2.0	2.2	2.3
Romania	-1.5	1.3	4.0	3.0
Serbia	1.6	3.3	3.7	4.3
Slovakia	-0.5	1.3	2.0	2.3
Slovenia	-0.1	1.4	1.6	1.8
CEE8 average	**-0.4**	**1.9**	**2.6**	**2.5**

Unemployment (%)	2016	2017f	2018f	2019f
Croatia	13.1	10.9	10.0	9.2
Czech Republic	4.0	3.0	2.8	3.2
Hungary	5.1	4.2	4.0	3.9
Poland	8.9	7.4	7.2	7.3
Romania	6.0	5.4	5.5	5.5
Serbia	15.3	12.8	11.6	11.1
Slovakia	9.7	8.2	7.5	6.8
Slovenia	8.0	6.7	5.8	5.1
CEE8 average	**7.7**	**6.4**	**6.1**	**6.0**

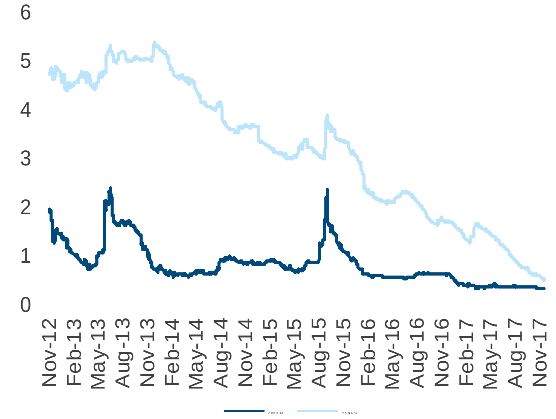
Public debt (% of GDP)	2016	2017f	2018f	2019f
Croatia	82.7	79.3	76.2	73.0
Czech Republic	36.8	34.9	32.8	31.9
Hungary	73.9	72.0	70.7	69.7
Poland	54.4	54.9	54.1	53.2
Romania	37.6	36.9	37.0	37.7
Serbia	72.9	65.0	63.8	62.1
Slovakia	51.8	51.2	50.1	47.6
Slovenia	78.3	74.2	72.5	69.0
CEE8 average	**53.5**	**52.4**	**51.2**	**50.1**

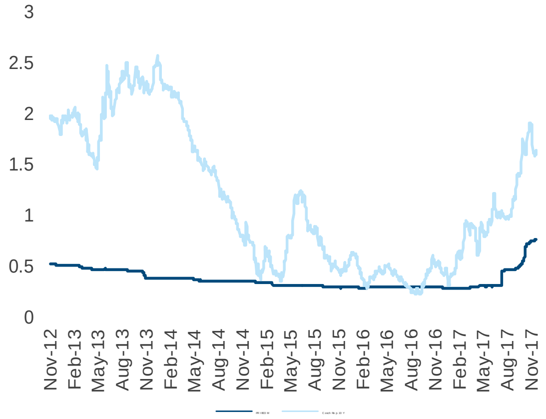
C/A (%GDP)	2016	2017f	2018f	2019f
Croatia	2.5	4.1	2.5	1.5
Czech Republic	1.1	0.9	0.7	0.5
Hungary	6.1	4.1	3.7	3.3
Poland	-0.3	-0.2	-0.5	-1.2
Romania	-2.3	-3.1	-3.7	-3.6
Serbia	-4.2	-4.7	-5.4	-6.7
Slovakia	-0.7	0.0	0.8	1.2
Slovenia	5.2	6.4	6.1	5.4
CEE8 average	**0.5**	**0.3**	**-0.1**	**-0.5**

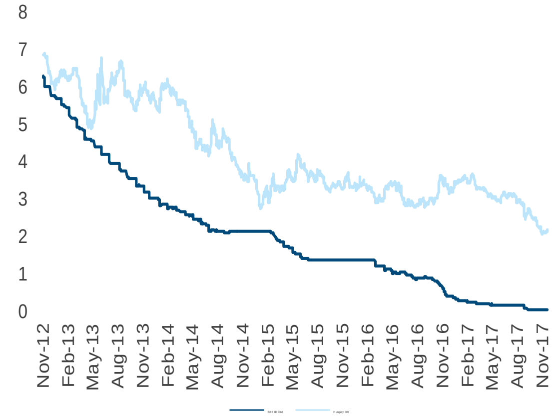
Budget Balance (%GDP)	2016	2017f	2018f	2019f
Croatia	-0.8	-0.5	-0.5	-0.5
Czech Republic	0.5	0.2	0.1	-0.2
Hungary	-1.8	-2.7	-2.5	-2.5
Poland	-2.4	-2.1	-2.5	-2.3
Romania	-3.0	-3.0	-3.4	-2.9
Serbia	-1.3	0.0	-0.8	-0.8
Slovakia	-2.2	-1.5	-1.0	-0.6
Slovenia	-1.8	-0.8	-0.3	0.0
CEE8 average	**-1.8**	**-1.7**	**-1.9**	**-1.7**

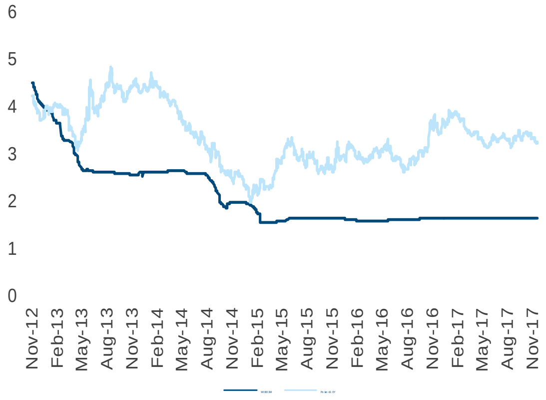
Note:*Information on past performance is not a reliable indicator for future performance. Forecasts are not a reliable indicator for future performance.

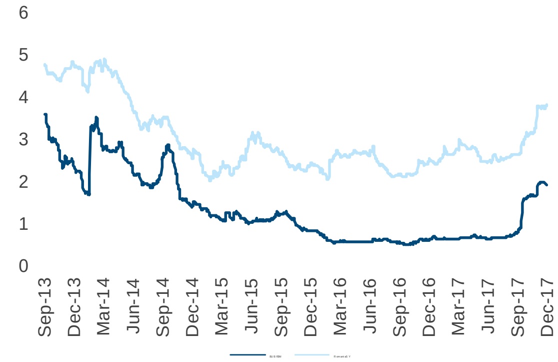
Appendix

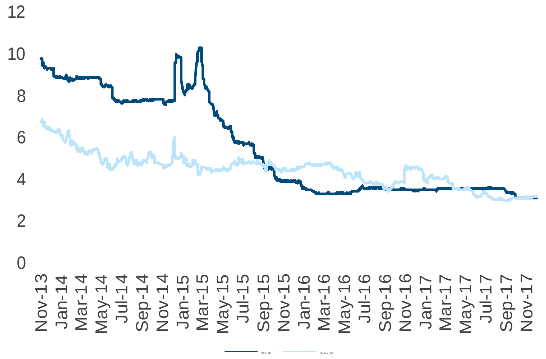


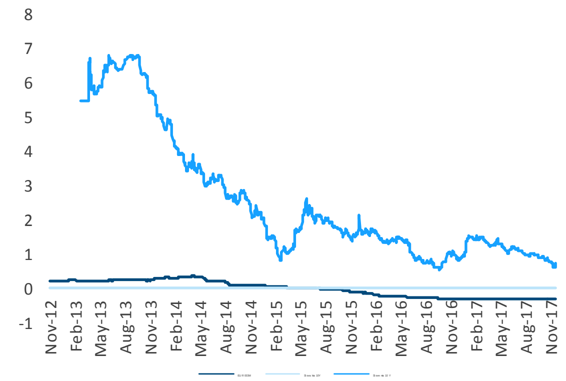












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