

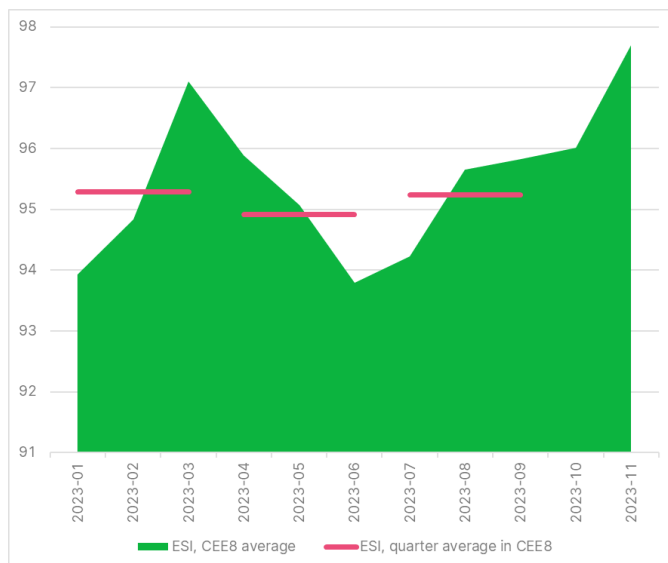
## CEE MACRO AND FI DAILY

# ESI hinting recovery in CEE

## On the Radar

- November's flash inflation in Poland eased marginally to 6.5% y/y. In Croatia, Slovakia and Slovenia, flash HICP estimates point to visible drop in November's inflation to 5.5% y/y, 6.9% y/y and 4.5% y/y, respectively.
- In Poland 3Q23 GDP was marginally revised upward to 1.5% y/y (0.5% q/q) and in Serbia as well to 3.6% y/y.
- Retail sales growth in October arrived at 6.5% in Croatia and stagnated in Serbia.
- Industrial output growth landed at 1.0% y/y in Croatia and 3.0% y/y in Serbia.
- Today, PMI indices in Czechia, Hungary and Poland will be released as well as 3Q23 GDP structure in Hungary and Czechia

## Economic Sentiment Indicator in CEE

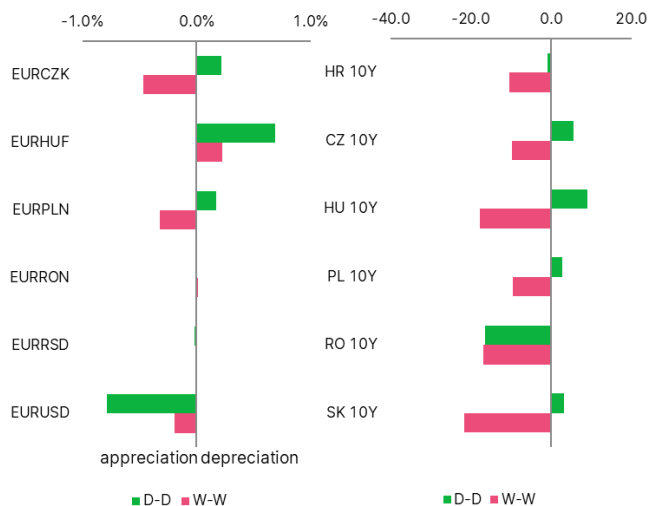


Source: Erste Group Research

## Economic developments

Economic Sentiment Indicator (ESI) published on Wednesday went up in November more visibly compared to the previous months and is at the highest level this year in the CEE. Looking across countries, ESI went up everywhere but Czechia. In Czechia, it dropped in November to 87.9 from 90.4 in October. As for the sectors, industry and services confidence indicators dropped in November in this country. November's development of the ESI indicator suggests that recovery may be under way, at the end. So far this sentiment indicator has been moving sideways and November's footprint gives hope for upward trend in the months to come.

## Market performance



Source: Erste Group Research

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## Market developments

The CEE currencies strengthened against the euro throughout the week while long terms yields declined reflecting global trends. As for other news, Hungarian Minister Gulyas said that the interest rate cap for households and SMEs will be extended as key policy rate remains high, even despite recent monetary easing. Today, Hungary will also present a financing plan for 2024. Croatia approved the budget deficit plan at 1.9% in 2024 that would suggest a fiscal expansion during the upcoming election year.

## Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.	Pre Comment
01. Dec	08:30	HU	Trade Balance	Sep F			1262.80	
	08:30	HU	GDP (q/q)	3Q F			0.9%	
	08:30	HU	GDP (y/y)	3Q F			-0.4%	
	09:00	CZ	GDP (q/q)	3Q P	-0.3%		-0.3%	
	09:00	CZ	GDP (y/y)	3Q P	-0.6%		-0.6%	
		CZ HU PL Manufacturing PMI indices		Nov				

## FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.28	0.2	-0.5
EUR/HUF	380.28	0.7	0.2
EUR/PLN	4.35	0.2	-0.3
EUR/RON	4.97	0.0	0.0
EUR/RSD	117.01	0.0	0.0
EUR/USD	1.09	-0.8	-0.2

## 3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	7.06	0	-2
HUF	10.70	-3	-9
PLN	5.83	0	-1
RON	6.25	0	0
RSD	5.71	0	0
EUR	3.96	-1	1

## 10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.25	6	-10
HU 10Y	6.87	9	-18
PL 10Y	5.50	3	-10
RO 10Y	6.88	-17	-17
HR 10Y	3.65	-1	-10
SK 10Y	3.65	3	-22

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