

CEE MACRO AND FI DAILY

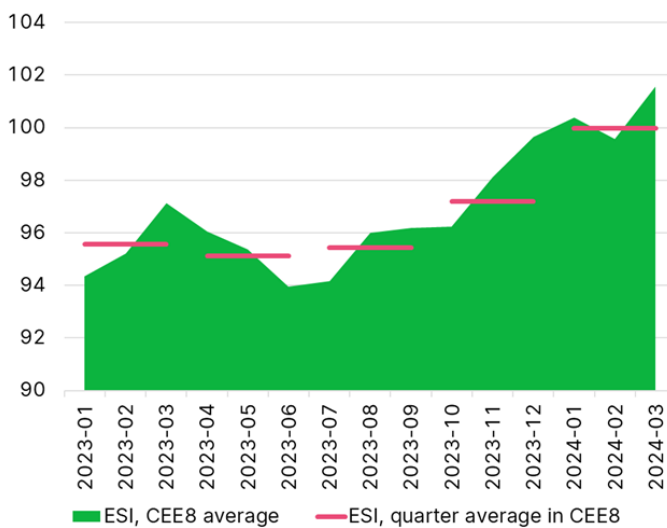
# Sentiment at highest levels since the war outbreak

## On the Radar

- Average gross wage in Hungary arrived at 14.7% y/y in February/
- In Slovakia, PPI index dived to -15.8% y/y in February.
- Later today, February's retail sales will be published in Slovenia.

### Economic Sentiment Indicator, points

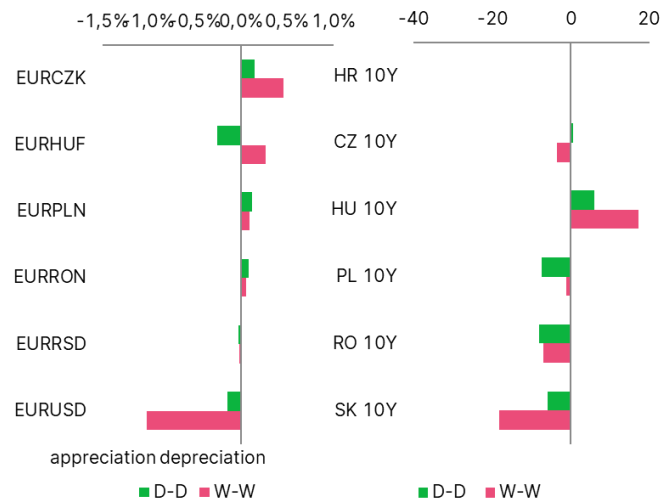
### Economic developments



The Economic Sentiment Indicator (ESI) increased in all CEE countries in March, pushing the average value of the ESI to 101.6, which is the highest since the outbreak of the war in Ukraine. It seems that the drop in February was just a bump on the continuous upward trend over the last half-year. Furthermore, the ESI index's average is visibly higher compared to the whole of 2023, supporting our story of economic recovery in 2024. The Consumer Confidence Index also increased in March and is above the levels prior to the outbreak of the war. With falling inflation and relatively high nominal wage growth, households are expected to increase their spending to a great extent.

Source: Erste Group Research

## Market performance



Source: Erste Group Research

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## Market developments

The CEE currencies have been marginally stronger against the euro since the beginning of the week, while the bond market is a mixed bag. In Poland, the MPC members reiterate that the monetary easing scenario has a rather low probability this year. Duda does not see room for an interest rate cut this year, sharing Maslowska's view. She added that she could see the possibility to discuss rate cuts only in the second half of 2025 or early 2026. Czechia has released a plan for the second quarter for the supply of bonds, and it plans to collect as much as CZK 75 billion in the next three months. In April, Czechia plans to issue CZK 23 billion, which is an increase compared to March. Romania's budget deficit widened to 1.7% of GDP at the end of February.

## Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
28. Mar	09:00	CZ	GDP (q/q)	4Q F		0,20%	0,20%
	09:00	CZ	GDP (y/y)	4Q F	-0,20%	-0,20%	0,00
	09:00	SK	PPI (y/y)	Feb		-5,00%	-3,30%
	10:30	SI	Retail Sales (y/y)	Feb		1,00%	-2,10%
29. Mar		HR	Current Account Balance (quarterly)	4Q			5230,01
	10:00	PL	CPI (y/y)	Mar P			2,80%
	10:00	PL	CPI (m/m)	Mar P			0,30%
	10:30	SI	CPI (y/y)	Mar		3,40%	3,40%
	10:30	SI	CPI (m/m)	Mar			0,80%
	11:00	HR	Industrial Production (y/y)	Feb		0,00%	-0,01
	11:00	HR	Retail Sales (y/y)	Feb		7,00%	7,95%
	12:00	RS	Industrial Production (y/y)	Feb		5,00%	6,90%
	12:00	RS	Retail Sales (y/y)	Feb		4,80%	4,10%
	12:00	RS	Trade Balance	Feb			-532,70

## FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25,29	0,1	0,5
EUR/HUF	394,41	-0,3	0,3
EUR/PLN	4,31	0,1	0,1
EUR/RON	4,97	0,1	0,1
EUR/RSD	117,05	0,0	0,0
EUR/USD	1,08	-0,1	-1,0

## 3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	5,61	2	-25
HUF	7,85	-11	-18
PLN	5,86	0	0
RON	6,05	0	-2
RSD	5,69	0	-1
EUR	3,91	1	-1

## 10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3,86	1	-4
HU 10Y	6,73	6	17
PL 10Y	5,48	-8	-1
RO 10Y	6,48	-8	-7
HR 10Y	3,25	0	0
SK 10Y	3,35	-6	-18

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