

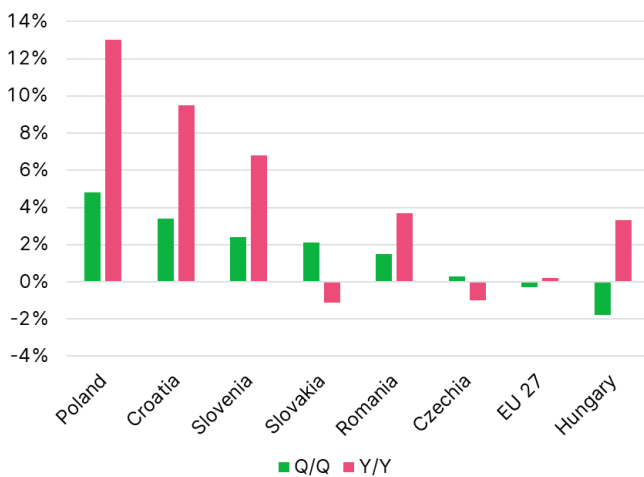
CEE MACRO AND FI DAILY

Poland with the highest house price growth in the EU

On the Radar

- In Croatia producer prices declined by -1.9% y/y in March while in Serbia PPI index increased by 0.7% y/y.
- In Romania, trade deficit widened to EUR -2.17 billion in February
- Unemployment rate in Czechia was released at 3.9%.
- Trade in Slovakia ended up in surplus in February, at EUR 650 million.
- Today, in Croatia trade data will be published at 11 AM CET. Otherwise there are no other releases scheduled.

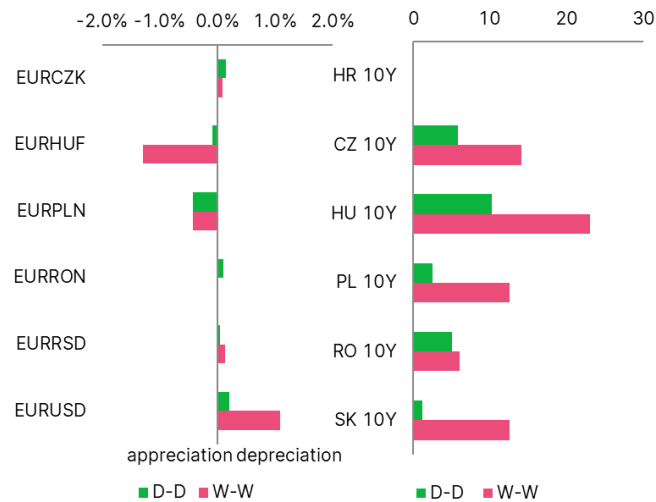
Residential real estate price growth, Q4 2023 Economic developments



Source: Erste Group Research

Today, we take a look at the development of residential real estate prices in the fourth quarter of 2023. The data from Eurostat published last week show Poland as a distinct outlier in the CEE region. The q/q growth of house prices at 4.8% is the highest in the EU, translating into annual growth of 13%. The reasons behind the acceleration stem from the government support measures, such as 2% interest on mortgages for first-time buyers or the possibility to delay the payments on existing mortgages by several months. Moreover, the significant rate cuts by the NBP in the second half of the last year made mortgage payments cheaper since majority of housing loans have variable interest rate. Croatia and Slovenia also experienced solid growth of house prices, at 9.5% and 6.8% y/y respectively. The remaining part of the CEE is much closer to the EU average, as the higher mortgage interest rates slowed down the real estate markets. Hungary is the only country where the market is still in contraction, while in annual terms we see real estate prices lower in Slovakia and Czechia.

Market performance



Source: Erste Group Research

Market developments

EURPLN keeps moving down as it is as low as 4.26 that is the lowest level since March 2020. On the other hand, the Czech koruna and Hungarian forint weakened marginally since the beginning of the week. In Poland the MPC member Wnorowski said that he would imagine situation in which throughout a year the arguments for monetary easing appear and even some decisions are undertaken. The long-term yields have been rising recently not only in the region but also on the core markets ahead of the ECB meeting (scheduled for Thursday). Shortly after the presidential election that brought victory to Peter Pellegrini, Slovakia's government announced it will be looking at raising taxes on tobacco products and placing a new tax on sweetened soft drinks as part of measures in a planned budget consolidation package, Prime Minister Robert Fico said on Monday.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
09. Apr	08:00	RO	Trade Balance	Feb			-1958.40
	08:00	RO	GDP (q/q)	4Q F		0.40%	-0.52%
	08:00	RO	GDP (y/y)	4Q F	3.00%	3.00%	2.98%
	09:00	SK	Trade Balance	Feb		460.00	410.90
10. Apr		SK	Industrial Production (y/y)	Feb		-1.50%	-0.80%
	09:00	CZ	CPI (y/y)	Mar		1.80%	2.00%
	09:00	CZ	CPI (m/m)	Mar		0.00%	0.30%
	10:30	SI	Industrial Production (y/y)	Feb		-1.00%	12.20%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.32	0.1	0.1
EUR/HUF	389.45	-0.1	-1.3
EUR/PLN	4.26	-0.4	-0.4
EUR/RON	4.97	0.1	0.0
EUR/RSD	117.03	0.1	0.1
EUR/USD	1.09	0.2	1.1

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	5.56	0	-5
HUF	7.75	-3	-8
PLN	5.86	0	-2
RON	6.05	0	0
RSD	5.69	0	0
EUR	3.90	2	1

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.03	6	14
HU 10Y	6.93	10	23
PL 10Y	5.56	2	13
RO 10Y	6.60	5	6
HR 10Y	3.25	0	0
SK 10Y	3.49	1	13

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