

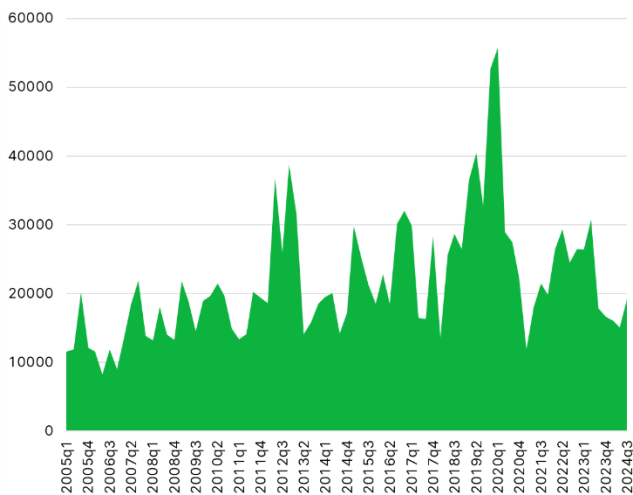
CEE MACRO AND FI DAILY

Global uncertainty aggravates economic growth

On the Radar

- September's unemployment rate remained flat at 5.0% in Poland.
- Today, the flash PMI indices will be released for Eurozone countries and for the US.
- Otherwise, there are no other releases scheduled in the region.

Global World Uncertainty Index, GDP weighted average

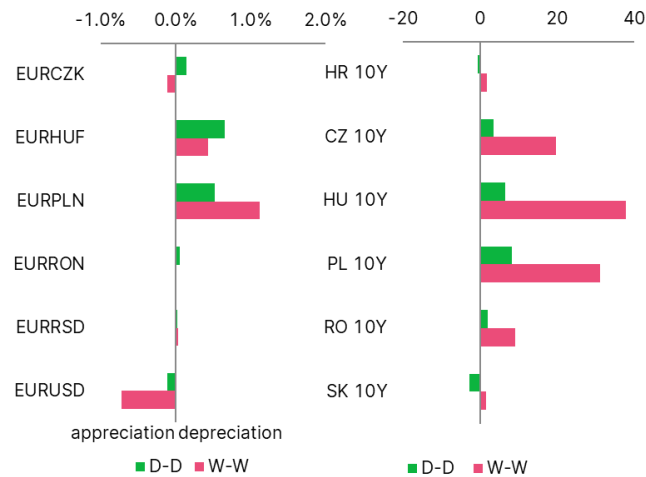


Source: Erste Group Research

Economic developments

A high level of uncertainty has characterized the global macroeconomic landscape since the COVID-19 pandemic, according to the IMF's Global Financial Stability Report. High macroeconomic uncertainty can profoundly affect macrofinancial stability by exacerbating downside market tail risks, delaying consumption and investment decisions, and reducing credit supply. It can also have effects on GDP growth. According to the IMF, an increase in macroeconomic uncertainty is associated with a significant rise in the downside risk to future GDP growth. Most recently, geopolitical risks have been rising. In particular, the war in Ukraine, tensions in the Middle East, and the upcoming US elections are adding to the high level of uncertainty. Although we expect further economic recovery in the region, downside risks have been mounting both at a global and regional level. Today's release of the PMI indices will indicate whether the slowdown of the manufacturing sector continues or a change in the trend may be in sight.

Market performance



Source: Erste Group Research

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Market developments

The CEE currencies continue to weaken against the euro. Since the beginning of the week, the Polish zloty has lost almost 1% against the euro, and EURPLN is at 4.34, the highest since June 2024. EURCZK and EURHUF levels are also higher this week, with EURHUF being at the highest level since January 2023. On the bond market, we have seen yields rising as well, with Polish long-term yields being roughly 25 basis points higher since the beginning of the week. In Poland, a couple of MPC members reacted to the very weak September data (decline of industry and retail sales growth). The Central Banker Kotecki hopes that weak economic data may accelerate the drop of inflation, while Wnorowski sustains the view that the discussion about monetary easing can wait until March 2025.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.	
24. Oct			No releases shceduled					
25. Oct		HU	Unemployment Rate	Sep		4.20%	4.30%	
	12:00	RS	Wages (y/y)	Aug			12.10%	

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.23	0.1	-0.1
EUR/HUF	402.66	0.7	0.4
EUR/PLN	4.34	0.5	1.1
EUR/RON	4.97	0.1	0.0
EUR/RSD	116.95	0.0	0.0
EUR/USD	1.08	-0.1	-0.7

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	4.10	-1	-3
HUF	6.40	2	6
PLN	5.85	0	0
RON	5.55	0	0
RSD	4.81	-3	-5
EUR	3.09	-1	-12

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.07	3	20
HU 10Y	6.73	6	38
PL 10Y	5.76	8	31
RO 10Y	6.85	2	9
HR 10Y	3.09	-1	2
SK 10Y	3.20	-3	2

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