

CEE MARKET INSIGHTS

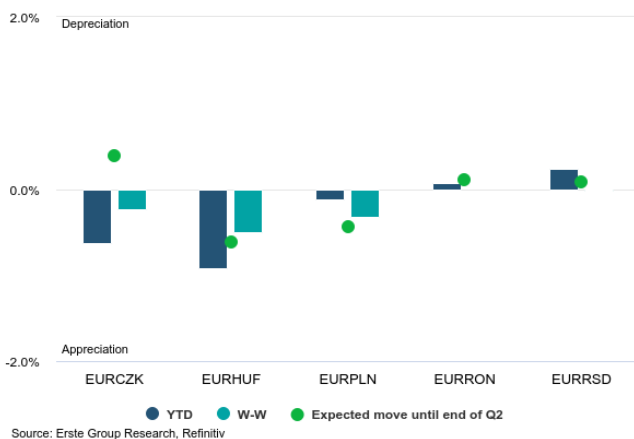
S&P to review Slovakia's rating

This week in CEE

Not very much is going on after Easter in the region. In several CEE countries, labor market data will be released, such as the unemployment rate (Slovakia, Poland, Croatia and Hungary) and wage growth (Poland, Croatia and Serbia). Apart from that, Poland will publish data on the performance of retail and the industry sector in March. The highlight of the week will be Slovakia's review by S&P, which currently rates the country two notches above Moody's and Fitch Ratings. We see a somewhat elevated likelihood of a negative outlook, while a downgrade scenario appears unlikely, though it cannot be entirely ruled out.

Monday	Tuesday	Wednesday	Thursday	Friday
	SK: Unemployment PL: Industry, Producer prices, Wages HR: Unemployment, Wages	PL: Retail	PL: Unemployment	HU: Unemployment RS: Wages
	SK: 2028 2034 2035 2047 Bonds HU: Bills	CZ PL: Bonds	RO: 2026 2031 Bonds CZ: Bills	

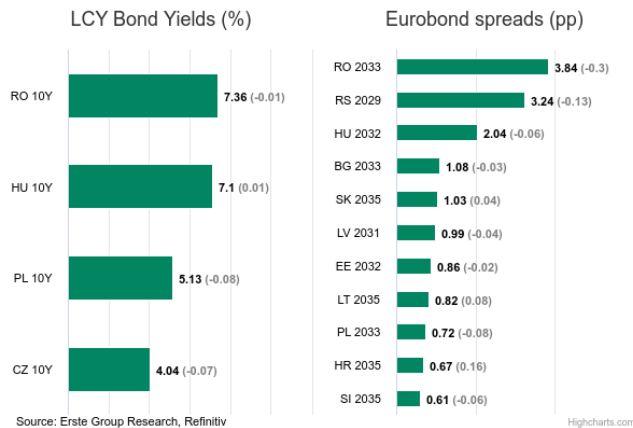
FX market



FX market developments

The FX market remains volatile, still reeling from the global tariff turmoil. Last week, CEE currencies strengthened against the euro, bolstered by the ECB's rate cut and a weakening dollar. U.S. President Trump has criticized the FED Chairman for not reducing interest rates quickly enough. Trump's recent comments were notably personal and directive, heightening market concerns about political interference in FED policy-making, which could lead to more persistent inflation in the U.S.

LCY yields, Eurobonds spreads



Bond market developments

In line with our and market expectations, the ECB cut key interest rates by 25bp last week. 10Y German Bund yields fell further below 2.5% as the ECB sent rather dovish signals. On CEE LCY bond markets, only Czech and Poland's 10Y yields followed the decline (nearly 10bp w/w), while yields on other markets barely moved. This week, we expect rather heavy bond issuance in the CEE region. Slovakia will reopen SLOVGBs 2028, 2034, 2035, and 2047. Romania will reopen ROMGBs 2026 and 2031. Czechia will reopen CZGBs 2037 and 2044, and launch a new 10Y benchmark. Hungary will offer HGBs 2029 and 2032 floaters. Poland will reopen POLGBs 2027, 2029, 2030, and 2034, and launch a new 5Y benchmark. Czechia and Hungary will also be selling T-bills.

In case you missed

[Czechia Special | Reliable and competent export partner](#)
[SK: Inflation hits highest level since January 2024](#)
[RO: Choppy manufacturing recovery](#)

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Erste Est.	Prev.	Comment
22. Apr		SK	Unemployment Rate	Mar		4.93%	
	10:00	PL	Industrial Production (y/y)	Mar		-2.00%	
	10:00	PL	PPI (y/y)	Mar		-1.30%	
	10:00	PL	Wages (y/y)	Mar		7.90%	
	11:00	HR	Unemployment Rate	Mar	5.10%	5.40%	Unemployment rate seen further declining on monthly level
	11:00	HR	Wages (y/y)	Feb		9.20%	
23. Apr	10:00	PL	Retail Sales (y/y)	Mar		0.60%	
24. Apr	10:00	PL	Unemployment Rate	Mar		5.40%	
25. Apr	8:30	HU	Unemployment Rate	Mar		4.40%	
	12:00	RS	Wages (y/y)	Feb		7.20%	

Source: Erste Group Research

Note: Past performance is not necessarily indicative of future results

Forecasts

LCY Government bond yields					
	Friday's close	2025Q2	2025Q3	2025Q4	2026Q1
Czechia 10Y	4.04	4.01	3.77	3.62	3.54
Hungary 10Y	7.10	6.75	6.64	6.57	6.51
Poland 10Y	5.13	5.50	5.40	5.10	5.10
Romania10Y	7.36	6.98	6.93	6.79	6.63
Serbia 10Y	5.19	5.20	5.10	5.00	4.80

Spreads vs. German Bunds (bps)					
Croatia 10Y	67.00	65.00	65.00	65.00	65.00
Slovakia 10Y	103.00	100.00	100.00	100.00	100.00
Slovenia 10Y	61.00	60.00	60.00	60.00	60.00
DE10Y yields	2.46	2.50	2.50	2.50	2.50

3M Money Market Rate					
	Friday's close	2025Q2	2025Q3	2025Q4	2026Q1
Czechia	3.68	3.70	3.48	3.31	3.25
Hungary	6.50	6.50	6.35	6.10	5.85
Poland	5.49	5.40	4.90	4.90	4.65
Romania	5.89	5.80	5.50	5.05	4.90
Serbia	4.68	4.64	4.22	4.22	3.80
Eurozone	2.18	1.97	1.98	1.99	2.01

Real GDP growth (%)				
	2023	2024f	2025f	2026f
Croatia	3.3	3.8	2.8	2.6
Czechia	0.1	1.0	1.7	2.1
Hungary	-0.9	0.5	1.7	3.4
Poland	0.1	2.9	3.1	3.1
Romania	2.4	0.9	1.8	3.1
Serbia	3.8	3.9	3.6	4.0
Slovakia	1.4	2.0	1.8	1.5
Slovenia	2.1	1.6	2.0	2.1
CEE8 avg	0.8	2.0	2.4	2.9

Public debt (% of GDP)				
	2023	2024f	2025f	2026f
Croatia	61.8	57.7	57.2	56.6
Czechia	42.4	43.6	44.2	44.8
Hungary	73.0	73.5	73.6	73.0
Poland	49.7	55.3	58.0	60.0
Romania	48.9	54.6	57.1	59.3
Serbia	48.1	47.2	46.4	46.2
Slovakia	56.1	58.9	59.8	60.5
Slovenia	68.4	67.0	66.5	67.0
CEE8 avg	52.1	55.5	57.2	58.4

Source: Bloomberg, Erste Group Research

FX					
	Friday's close	2025Q2	2025Q3	2025Q4	2026Q1
EURCZK	25.00	25.10	24.90	24.80	24.74
EURHUF	407.52	405.00	410.00	415.00	415.00
EURPLN	4.27	4.25	4.25	4.30	4.30
EURRON	4.97	4.98	5.02	5.05	5.08
EURRSD	117.10	117.20	117.10	117.20	117.30
EURUSD	1.14	1.12	1.10	1.11	1.11

Key Interest Rate (deposit facility in Eurozone)					
	Friday's close	2025Q2	2025Q3	2025Q4	2026Q1
Czechia	3.75	3.75	3.50	3.25	3.25
Hungary	6.50	6.50	6.25	6.00	5.75
Poland	5.75	5.25	4.75	4.75	4.50
Romania	6.50	6.50	6.25	5.75	5.25
Serbia	5.75	5.75	5.25	5.25	4.75
Eurozone	2.25	2.00	2.00	2.00	2.00

Average inflation (%)				
	2023	2024f	2025f	2026f
Croatia	8.1	3.0	3.2	2.5
Czechia	10.7	2.4	2.6	2.2
Hungary	17.6	3.7	5.0	3.8
Poland	11.4	3.6	4.2	3.3
Romania	10.5	5.6	4.4	3.2
Serbia	12.5	4.6	4.1	3.3
Slovakia	10.5	2.8	3.9	3.3
Slovenia	7.4	2.0	2.4	2.1
CEE8 avg	11.5	3.7	3.9	3.1

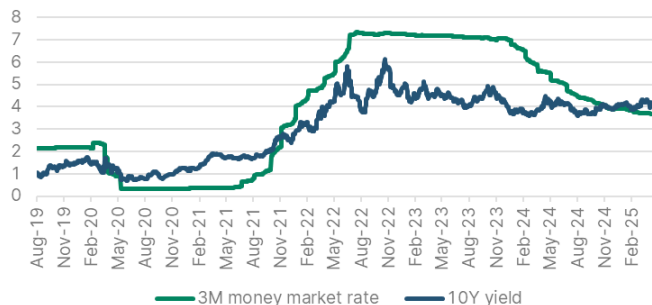
C/A (%GDP)				
	2023	2024f	2025f	2026f
Croatia	0.4	-1.2	-1.9	-2.3
Czechia	0.3	1.8	1.9	1.4
Hungary	0.3	2.2	2.1	1.7
Poland	1.8	0.2	-1.0	-1.0
Romania	-6.6	-8.3	-7.8	-6.8
Serbia	-2.4	-6.3	-6.6	-6.9
Slovakia	-1.6	-2.2	-0.8	0.3
Slovenia	4.5	4.9	3.6	3.2
CEE8 avg	-0.3	-1.1	-1.5	-1.5

Unemployment (%)				
	2023	2024f	2025f	2026f
Croatia	6.1	5.0	4.8	4.6
Czechia	2.6	2.7	3.1	3.5
Hungary	4.1	4.4	4.3	4.0
Poland	5.1	5.1	5.0	5.1
Romania	5.6	5.5	5.3	5.2
Serbia	9.5	8.6	8.6	8.3
Slovakia	5.8	5.3	5.3	5.2
Slovenia	3.7	3.7	3.6	3.6
CEE8 avg	4.9	4.8	4.8	4.8

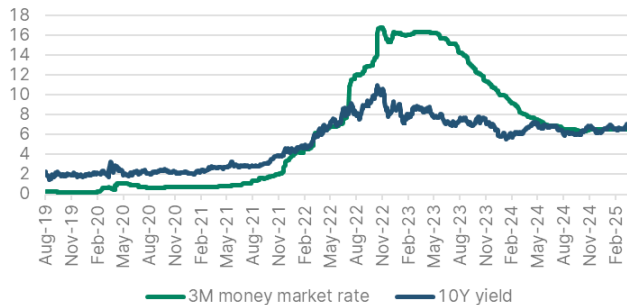
Budget Balance (%GDP)				
	2023	2024f	2025f	2026f
Croatia	-0.9	-2.2	-2.5	-2.2
Czechia	-3.8	-2.2	-2.4	-2.5
Hungary	-6.7	-4.9	-4.4	-3.9
Poland	-5.3	-6.6	-5.8	-4.5
Romania	-6.6	-8.7	-7.0	-6.4
Serbia	-2.1	-2.0	-3.0	-3.0
Slovakia	-5.2	-6.0	-4.5	-3.8
Slovenia	-2.6	-0.9	-2.1	-1.8
CEE8 avg	-5.0	-5.5	-4.9	-4.2

Appendix

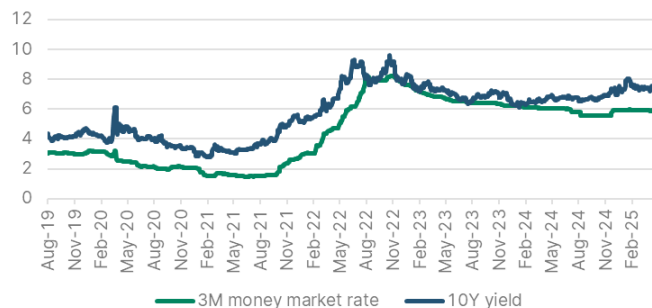
Czechia



Hungary



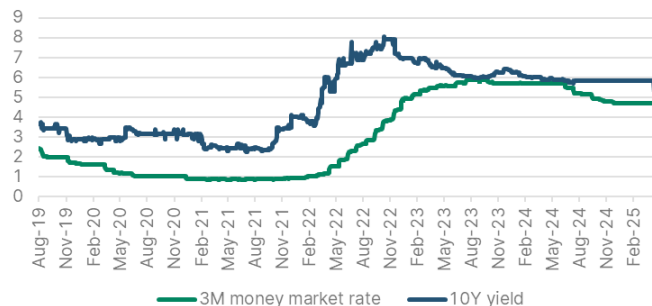
Romania



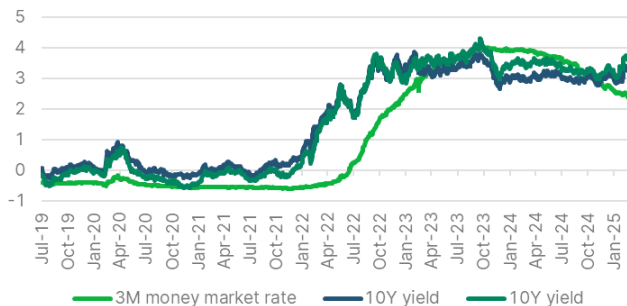
Poland



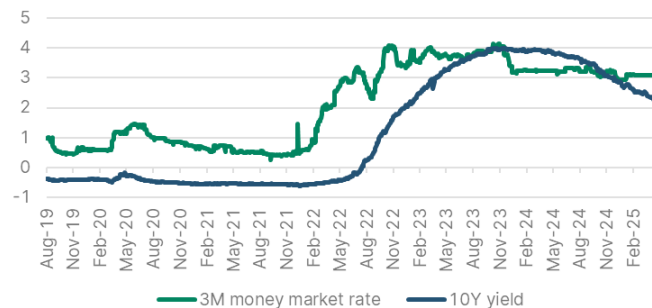
Serbia



Slovakia and Slovenia



Croatia



Source: Bloomberg, Erste Group Research

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