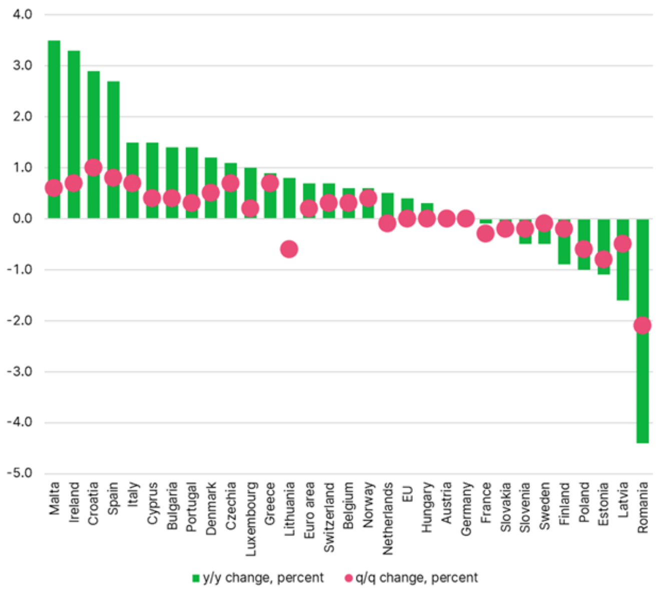
CEE MACRO AND FI DAILY

Employment growth in the region

On the Radar

- Trade balance in Romania landed at EUR -3.14 billion in April.
- At 9 AM CET Slovakia will publish industrial output growth in April, while Czechia final inflation number in May.
- At 10.30 AM CET Slovenia will release industrial output growth in April.
- Hungary will give information about year-to-date budget performance at 11 AM CET..

Employment growth in 1Q25, %

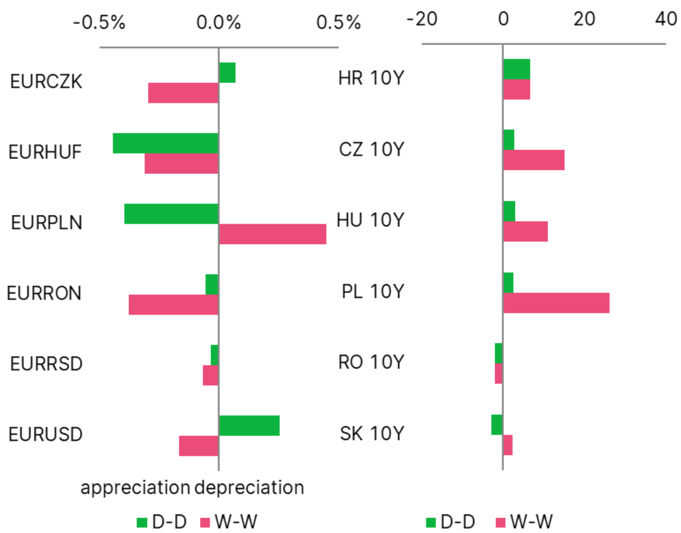


Source: Erste Group Research

Economic developments

In the first quarter of 2025, the number of employed persons increased by 0.7% year-on-year (y/y), corresponding to a quarter-on-quarter (q/q) growth of 0.2% in the euro area (seasonally adjusted figures). In the EU, employment growth in terms of persons was 0.4% y/y and stagnated in q/q terms in the first quarter of 2025. Looking across countries, Croatia experienced one of the highest employment growth rates in the entire EU (2.9% y/y and 1% q/q). Czechia and Hungary were the other two CEE countries that saw employment growth in persons in the first quarter of 2025 in annual terms (1.1% y/y and 0.3% y/y, respectively). However, in Hungary, employment stagnated compared to the fourth quarter of 2024. In the rest of the region, employment growth declined—most notably in Romania and Poland. In Romania, employment dropped by 4.4% y/y and 2.1% q/q. Furthermore, unemployment rates ticked up in both Romania and Poland. All in all, however, labor market conditions remain relatively tight.

Market performance



Source: Erste Group Research

Market developments

CEE currencies strengthened slightly against the euro at the beginning of the week. Fitch Ratings reaffirmed Hungary’s sovereign debt rating at 'BBB' with a stable outlook but significantly cut its 2025 GDP growth projection to just 0.7%. This forecast is only marginally below our expectation of 0.8% growth in 2025. As for other news, the central bank of Serbia is holding a rate-setting meeting this week. We expect the decision to be a close call between maintaining the current rate and implementing a rate cut.

Analyst:
Juraj Kotian
+43 (0)5 0100 17357
juraj.kotian@erstegroup.com

Analyst:
Katarzyna Rzentarzewska
+43 5 0100 17356
katarzyna.rzentarzewska@erstegroup.com

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
10. Jun	**9:00**	**SK**	Industrial Production (y/y)	Apr		-3.50%	4.3%
	9:00	**CZ**	CPI (y/y)	May F	0.02		2.4%
	9:00	**CZ**	CPI (m/m)	May F	0.00		0.5%
	10:30	**SI**	Industrial Production (y/y)	Apr		0.00%	-1.9%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.77	0.1	-0.3
EUR/HUF	401.34	-0.4	-0.3
EUR/PLN	4.27	-0.4	0.4
EUR/RON	5.04	-0.1	-0.4
EUR/RSD	117.03	0.0	-0.1
EUR/USD	1.14	0.3	-0.2

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.52	1	2
HUF	6.50	0	0
PLN	5.21	1	-1
RON	7.15	0	0
RSD	4.68	0	0
EUR	1.96	0	-2

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.28	3	15
HU 10Y	7.06	3	11
PL 10Y	5.60	3	26
RO 10Y	7.51	-2	-2
HR 10Y	3.10	7	7
SK 10Y	3.44	-3	2

Group Research

Head of Group Research
Friedrich Mostböck, CEFA®, CESGA® +43 (0)5 0100 11902

CEE Macro/Fixed Income Research
Head: Juraj Kotian (Macro/FI) +43 (0)5 0100 17357
Katarzyna Rzentarzewska (Fixed income) +43 (0)5 0100 17356
Jakub Cery (Fixed income) +43 (0)5 0100 17384

Croatia/Serbia
Alen Kovac (Head) +385 72 37 1383
Mate Jelić +385 72 37 1443
Ivana Rogic +385 72 37 2419

Czech Republic
David Navratil (Head) +420 956 765 439
Jiri Polansky +420 956 765 192
Michal Skorepa +420 956 765 172

Hungary
Orsolya Nyeste +361 268 4428
János Nagy +361 272 5115

Romania
Ciprian Dascalu (Head) +40 3735 10108
Eugen Sinca +40 3735 10435
Vlad Nicolae Ionita +40 7867 15618

Slovakia
Maria Valachyova (Head) +421 2 4862 4185
Matej Hornak +421 902 213 591
Marian Kocis +421 904 677 274

Major Markets & Credit Research
Head: Rainer Singer +43 (0)5 0100 17331
Ralf Burchert, CEFA®, CESGA® (Sub-Sovereigns & Agencies) +43 (0)5 0100 16314
Hans Engel (Global Equities) +43 (0)5 0100 19835
Maurice Jiszda, CEFA®, CFDS® (USA, CHF) +43 (0)5 0100 19630
Peter Kaufmann, CFA® (Corporate Bonds) +43 (0)5 0100 11183
Heiko Langer (Financials & Covered Bonds) +43 (0)5 0100 85509
Stephan Lingnau (Global Equities) +43 (0)5 0100 16574
Maximilian Möstl (Credit Analyst Austria) +43 (0)5 0100 17211
Carmen Riefler-Kowarsch (Financials & Covered Bonds) +43 (0)5 0100 19632
Bernadett Povazsai-Römhild, CEFA®, CESGA® (Corporate Bonds) +43 (0)5 0100 17203
Elena Statelov, CIIA® (Corporate Bonds) +43 (0)5 0100 19641
Gerald Walek, CFA® (Eurozone) +43 (0)5 0100 16360

CEE Equity Research
Head: Henning Eßkuchen, CESGA® +43 (0)5 0100 19634
Daniel Lion, CIIA® (Technology, Ind. Goods&Services) +43 (0)5 0100 17420
Michael Marschallinger, CFA® +43 (0)5 0100 17906
Nora Varga-Nagy, CFA® (Telecom) +43 (0)5 0100 17416
Christoph Schultes, MBA, CIIA® (Real Estate) +43 (0)5 0100 11523
Thomas Unger, CFA® (Banks, Insurance) +43 (0)5 0100 17344
Vladimira Urbankova, MBA (Pharma) +43 (0)5 0100 17343
Martina Valenta, MBA +43 (0)5 0100 11913

Croatia/Serbia
Mladen Dodig (Head) +381 11 22 09178
Boris Pevalek, CFA® +385 99 237 2201
Marko Plastic +385 99 237 5191
Bruno Barbic, CFA® +385 99 237 1041
Davor Spoljar, CFA® +385 72 37 2825
Magdalena Basic +385 99 237 1407

Czech Republic
Petr Bartek (Head, Utilities) +420 956 765 227
Jan Bystřický +420 956 765 218

Hungary
József Miró (Head) +361 235 5131
András Nagy +361 235 5132
Tamás Pletser, CFA® (Oil & Gas) +361 235 5135

Poland
Cezary Bernatek (Head) +48 22 257 5751
Piotr Bogusz +48 22 257 5755
Łukasz Jańczak +48 22 257 5754
Jakub Szkopek +48 22 257 5753
Krzysztof Tkocz +48 22 257 5752

Romania
Caius Rapanu +40 3735 10441

Group Markets

Head of Group Markets
Oswald Huber +43 (0)5 0100 84901

Group Markets Retail and Agency Business
Head: Martin Langer +43 (0)5 0100 11313

Markets Retail Sales AT
Head: Markus Kaller +43 (0)5 0100 84239
Group Markets Execution
Head: Kurt Gerhold +43 (0)5 0100 84232
Retail & Sparkassen Sales
Head: Uwe Kolar +43 (0)5 0100 83214
Markets Retail Sales & PM SK
Monika Pálová +421 911 891 098
Markets Retail Sales HUN
Head: Peter Kishazi +36 1 23 55 853
Markets Retail Sales CZ
Head: Martin Vlcek +420 956 765 374
Markets Retail Sales & PM CRO
Head: Neven Radaković +385 (0)72 37 1385
Head: Tamas Nagy +385 (0)72 37 2461
Markets Retail Sales & PM RO
Head: Laura Hexan +40 7852 47110
GM Retail Products &Business Development
Head: Michael Tröthann +43 (0)50100 11303

Group Treasury Markets
Head: Valentin Popovici +43 (0)5 0100 85882

MM Trading
Head: Philippe Quintans de Soure +43 (0)5 0100 84424

Collateral Trading, Management and Optimization
Head: Danijela Lukic +43 (0)5 0100 84983

Interest Rates and FX Options Trading
Head: Martin Sramko +43 (0)5 0100 84924

FX Trading & Corporate Treasury Sales
Head: Valentin Popovici +43 (0)5 0100 85882

E-FX Trading
Head: Helmut Kroboth +43 (0)5 0100 84652

CEE FX Trading
Head: Juraj Zabadal +420 224 995 553

Markets Corporate Sales AT
Head: Martina Kranzl-Carvell +43 (0)5 0100 84147

Markets Corporate Sales HUN
Head: Adam Farago +361 237 8202

Markets Corporate Sales CRO
Head: Neven Radaković +385 (0)72 37 1385

Markets Corporate Sales CZ
Head: Tomas Picek +420 224 995 511

Markets Corporate Sales RO
Head: Bogdan Ionut Cozma +40 731 680 257

Markets Corporate Sales SK
Head: Lubomir Hladik +421 2 4862 5622

Group Securities Markets
Head: Thomas Einramhof +43 (0)50100 84432

Institutional Distribution Core
Head: Jürgen Niemeier +49 (0)30 8105800 5503

Institutional Distribution CEE & Insti AM CZ
Head: Antun Burić +385 72 37 2439

Institutional Distribution DACH+
Head: Marc Friebertshäuser +49 (0)711 810400 5540

Institutional Asset Management CZ
Head: Petr Holeček +420 956 765 453

Group Institutional Equity Sales
Head: Michal Řízek +420 224 995 537
Werner Fürst +43 (0)50100 83121
Viktoria Kubalcova +43 (0)5 0100 83124
Thomas Schneidhofer +43 (0)5 0100 83120
Oliver Schuster +43 (0)5 0100 83119
Czech Republic
Head: Michal Řízek +420 224 995 537
Jakub Brukner +420 731 423 294
Martin Havlan +420 224 995 551
Pavel Krabička +420 224 995 411
Poland
Head: Jacek Jakub Langer +48 22 257 5711
Tomasz Galanciak +48 22 257 5715
Maciej Senderek +48 22 257 5713
Wojciech Wysocki +48 22 257 5714
Przemyslaw Nowosad +48 22 257 5712
Croatia
Matija Tkaličanac +385 72 37 21 14
Hungary
Nandori Levente + 36 1 23 55 141
Krisztian Kandik + 36 1 23 55 162
Balasz Zankay + 36 1 23 55 156
Romania
Adrian Barbu +40 7305 18635

Group Fixed Income Securities Markets
Head: Goran Hoblaj +43 (0)50100 84403

Fixed Income Flow Sales
Head: Goran Hoblaj +43 (0)5 0100 84403
Bernd Thaler +43 (0)5 0100 84119

Group Fixed Income Securities Trading
Head: Goran Hoblaj +43 (0)50100 84403
Credit Trading
Head: Christoph Fischer-Antze +43 (0)50100 84332
CEE Rates Trading
Head: Peter Provotiak +420 224 995 512
Euro Government Bonds Trading
Head: Gottfried Ziniel +43 (0)50100 84333

Group Equity Trading & Structuring
Head: Ronald Nemec +43 (0)50100 83011

Group Markets Financial Institutions
Manfred Neuwirth +43 (0)50100 84250

Group Financial Institutions
Head bis 30.4.25: Christian Wolf +43 (0)50100 12776
Head ab 1.5.25: Christina Linzer +43 (0)50100 13049

Group Non-Bank Financial Institutions
Head: Michael Aschauer +43 (0)50100 14090

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Erste Group Bank AG
Group Research
1100 Vienna, Austria, Am Belvedere 1
Head Office: Wien
Commercial Register No: FN 33209m
Commercial Court of Vienna
Erste Group Homepage: www.erstegroup.com