

CEE MACRO AND FI DAILY

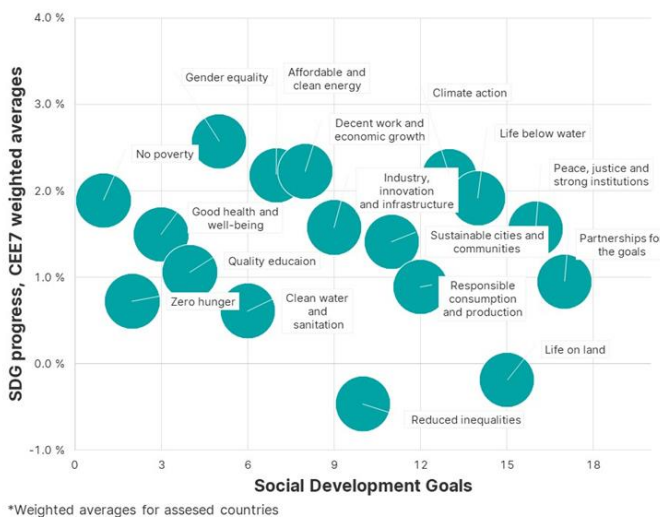
CEE advances in Social Development Goals

On the Radar

- Producer prices declined by -1.2% y/y in July in Czechia.
- In Poland, core inflation eased toward 3.3% y/y in July.
- Today, Slovakia will release current account data at 10.30 AM CET.

Weighted average of CEE7 SDGs

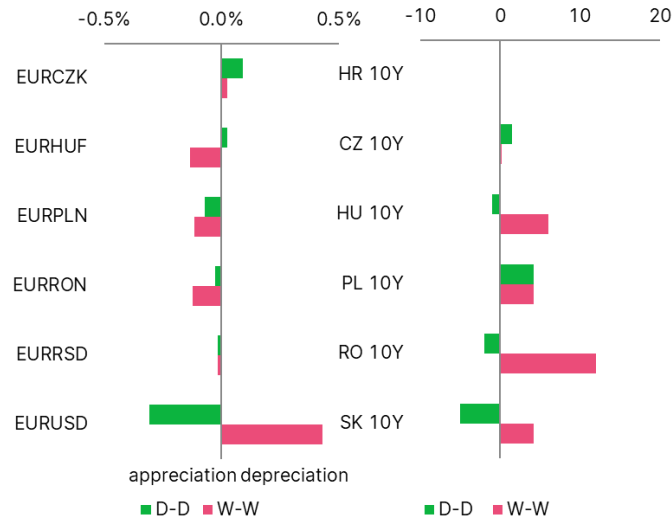
Economic developments



Source: Erste Group Research

Today we look at the CEE progress in Social Development Goals that is evaluated annually. The Central and Eastern Europe (CEE) region continued advancing across most Social Development Goals (SDGs). The biggest progress was achieved in SDG5: Gender equality. Despite improvements, gender equality remains a significant challenge. Progress was also achieved in SDG8: Decent work and economic growth. CEE countries performed well in the goal of evaluating economic performance as they expanded compared to 2019, i.e. the pre-pandemic level. SDG10: Reduced inequalities saw a decline, making it the lowest-performing goal in the region. Further, SDG15: Life on land also regressed, reflecting a persistent environmental sustainability challenge throughout the region. Looking across countries - Poland stood out with the strongest performance, showing progress or stability in 16 out of 17 goals. Czechia, Romania, and Croatia also performed well, each demonstrating progress or no regression in at least 14 goals. In contrast, Hungary and Slovakia showed weaker results.

Market performance



Source: Erste Group Research

Market developments

Polish zloty strengthened slightly against the euro on Monday, while other CEE currencies have been stable. There is quite a limited volatility on the bond market as well at the moment. Globally, the focus goes to the war in Ukraine and yet another attempt to reach the peace as President Trump had met with Vladimir Putin at first and followed with welcoming Volodymyr Zelenskiy in the White House. Locally, Czechia's central bank published the minutes from the last central bank meeting showing rather limited interest in further interest rate cuts, though several central bankers would keep the flexible stance. Developments of the corporate bond issuance were discussed and seen as a sign of less restrictive monetary policy. At the same time, the Governor prefers to see the real interest rate in positive territory given elevated budget deficit. Polish Ministry of Finance published budget deficit stance after July showing widening of the gap. Romania sold RON 900 million of government papers maturing in 2029 and 2031 according to the plan.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
19. Aug	10:30	SK	Current Account Balance (monthly)	Jun			-77.02
20. Aug		SK	Unemployment Rate	Jul		4.9%	4.9%
	11:00	HR	Unemployment Rate	Jul			3.8%
	11:00	HR	Wages (y/y)	Jun			6.5%
21. Aug	10:00	PL	Industrial Production (y/y)	Jul			-0.1%
	10:00	PL	PPI (y/y)	Jul			-1.8%
	10:00	PL	Wages (y/y)	Jul			9.0%
	10:30	SI	PPI (y/y)	Jul			1.30%
22. Aug			No releases scheduled				

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.45	0.1	0.0
EUR/HUF	394.96	0.0	-0.1
EUR/PLN	4.25	-0.1	-0.1
EUR/RON	5.05	0.0	-0.1
EUR/RSD	116.99	0.0	0.0
EUR/USD	1.17	-0.3	0.4

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.50	0	-1
HUF	6.50	0	0
PLN	4.88	0	-4
RON	6.60	0	0
RSD	4.68	0	0
EUR	2.03	0	0

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.32	1	0
HU 10Y	6.99	-1	6
PL 10Y	5.40	4	4
RO 10Y	7.28	-2	12
HR 10Y	3.09	0	0
SK 10Y	3.51	-5	4

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