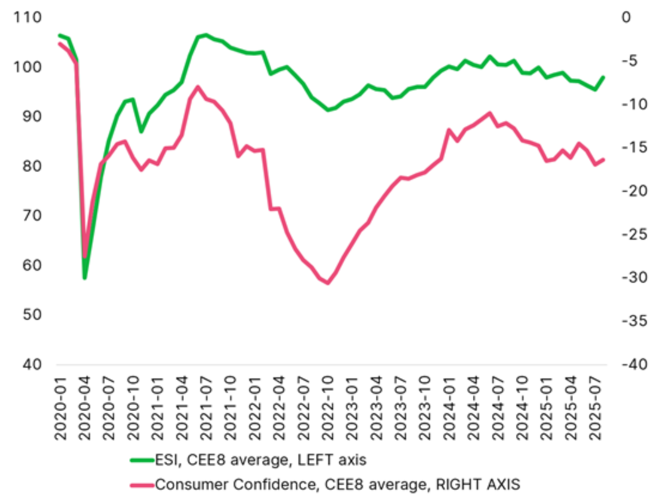
CEE MACRO AND FI DAILY

Economic sentiment ticks up in August

On the Radar

- Unemployment rate in Hungary remained at 4.3% in July.
- Retail sales in Slovenia declined by -0.6% y/y in July.
- Today at 8.30 AM CET trade data will be released in Hungary.
- In Czechia 2Q25 GDP structure will be published at 9 AM CET.
- At 10 AM CET, flash inflation will be released in Poland, while in Slovenia at 10.30 AM CET.
- In Croatia (11 AM CET) and in Serbia (noon CET), July's retail sales and industrial output growth will be published.

Economic Sentiment Indicator, balance

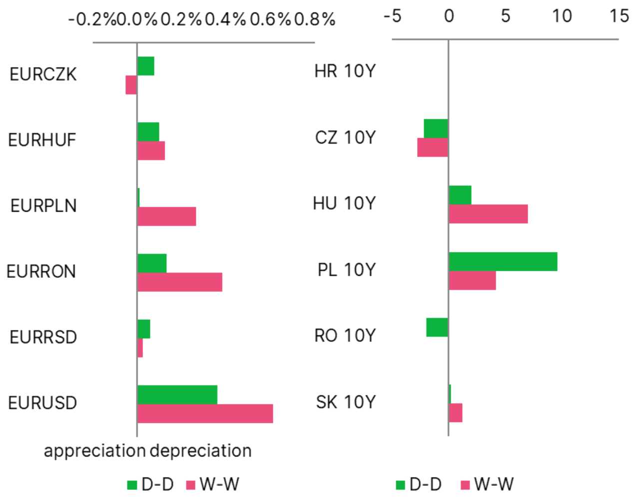


Source: Erste Group Research

Economic developments

In August, we see a more visible uptick in the Economic Sentiment Indicator (ESI) in the region. The CEE8 average ESI went up to 98 in August from 95.5 in July. ESI reached the level close to 98 already at the beginning of the year but dipped after tariff's announcement. Further, August's ESI increased in every country apart from Poland where it remained close to July's levels. Alongside with overall sentiment, consumer confidence indicator was published. On average, consumer confidence increased marginally in CEE8 but looking across the countries it was a mixed bag. It improved in Hungary, Poland, Serbia and Slovenia, while in other countries it slightly deteriorated in August. We hope, however, that with more clarity regarding tariffs the economic expectations and development improve in the second half of the year.

Market performance



Source: Erste Group Research

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Market developments

Poland's Ministry of Finance revised up this year's budget deficit to 6.9% of economic output from 6.3%, and set a gap of 6.5% of GDP for 2026 due to high spending on defense. Further, borrowing needs are set to rise to 423 billion zloty ($116 billion) in 2026 from a revised 352 billion zloty this year. The long-term yields in Poland increased more visibly in response to the news, while in other CEE countries the long-term yields showed limited volatility this week. Apart from Poland, only Romania's 10Y yields are prone to increase ahead of government meeting approval of reforms. Romania sold RON 500 million government papers maturing in 2035 that were priced to yield 7.38%.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
29. Aug	**08:30**	**HU**	Trade Balance	Jul			1039.00
	09:00	**CZ**	GDP (q/q)	2Q P			0.2%
	09:00	**CZ**	GDP (y/y)	2Q P			2.4%
	10:00	**PL**	CPI (y/y)	Aug P		3.1%	3.1%
	10:00	**PL**	CPI (m/m)	Aug P			0.3%
	10:30	**SI**	CPI (y/y)	Aug		2.7%	2.8%
	10:30	**SI**	CPI (m/m)	Aug			0.5%
	11:00	**HR**	Retail Sales (y/y)	Jul			7.5%
	12:00	**RS**	Industrial Production (y/y)	Jul		2.5%	2.5%
	12:00	**RS**	Retail Sales (y/y)	Jul		3.5%	4.3%
	12:00	**RS**	Trade Balance	Jul			-506.40

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.52	0.1	-0.1
EUR/HUF	396.46	0.1	0.1
EUR/PLN	4.26	0.0	0.3
EUR/RON	5.07	0.1	0.4
EUR/RSD	117.07	0.1	0.0
EUR/USD	1.17	0.4	0.6

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.50	0	0
HUF	6.50	0	0
PLN	4.83	-1	-4
RON	6.60	0	0
RSD	4.68	0	0
EUR	2.05	2	2

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.25	-2	-3
HU 10Y	7.09	2	7
PL 10Y	5.44	10	4
RO 10Y	7.32	-2	0
HR 10Y	3.09	0	0
SK 10Y	3.54	0	1

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