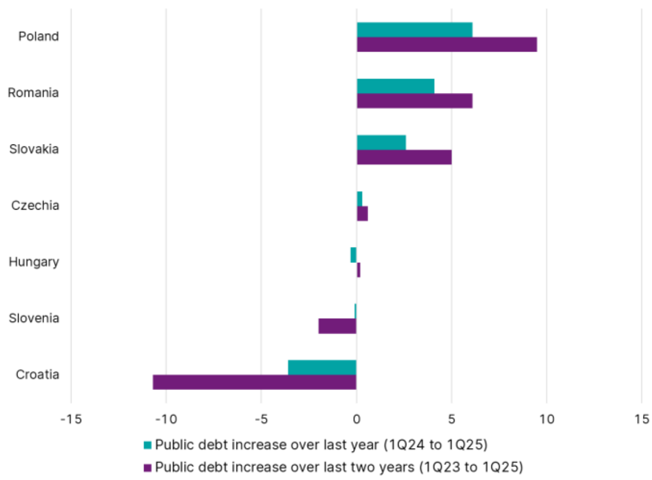
CEE MACRO AND FI DAILY

Public debt rose the most in Poland and Romania

On the Radar

- Trade surplus in Slovakia reached EUR 246.5 million. In Czechia, trade deficit was at CZK -1.7 billion and in Croatia at EUR -1752 million.
- Industrial output growth in Czechia surprised to the upside arriving at 4.9% y/y in July.
- Producer prices in Serbia increased by 1.3% y/y in August.
- Romania reported trade deficit of 2636.9 million euro for July.
- Inflation rate in August was published at 4.3% y/y in Hungary.
- At 11 AM CET, Croatia publishes producer prices in August.

Change in public debt-to-GDP across CEE, percentage points

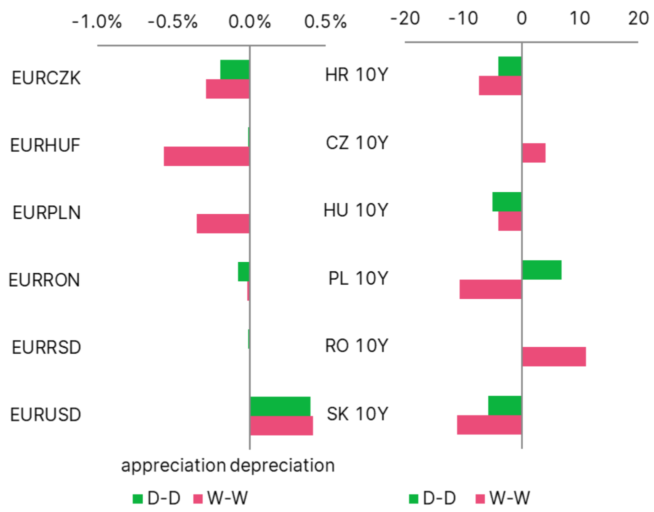


Source: Erste Group Research

Economic developments

Triggered by the revision of Poland's outlook from negative to stable, today we examine the change in the public debt-to-GDP ratio over the past few years. We use the Eurostat dataset, in which the latest available data point regarding public finances refers to Q1 2025. Although Romania has the highest budget deficit in terms of GDP, Poland experienced the largest increase in public debt over the past year (Eurostat data between Q1 2025 and Q1 2024) and over the past two years (between Q1 2025 and Q1 2023). Furthermore, when looking at aggregate figures, the CEE8 average public debt-to-GDP ratio has increased from 52.5% in 2022 to roughly 60% in 2025 (Erste forecast). This is primarily the result of the aforementioned significant increases in public debt in Poland and Romania. In Slovakia, public debt also rose, albeit to a lesser extent. In Croatia and Slovenia, the public debt-to-GDP ratio declined, while in the other countries it remained stable.

Market performance



Source: Erste Group Research

Market developments

Romania sold government securities maturing in 2030 and 2033, priced to yield 6.58% and 7.56%, respectively. Long-term yields moved marginally lower across the region on Monday. The FX market remained relatively stable at the beginning of the week. Hungarian central bank Governor Varga stated that tight monetary policy is necessary to slow inflation and maintain financial stability, which is reflected in the exchange rate. In Romania, austerity measures in the public sector led to teacher protests at the beginning of the school year.

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

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

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
09. Sep	**08:00**	**RO**	Trade Balance	Jul			-2373.60
	08:30	**HU**	CPI (y/y)	Aug	0.04	4.30%	4.30%
	08:30	**HU**	CPI (m/m)	Aug		0.00%	0.40%
	11:00	**HR**	PPI (y/y)	Aug			0.66%
10. Sep		**SK**	Industrial Production (y/y)	Jul		-4.00%	-3.70%
	09:00	**CZ**	CPI (y/y)	Aug F	0.03		2.50%
	09:00	**CZ**	CPI (m/m)	Aug F	0.00		0.10%
	10:30	**SI**	Industrial Production (y/y)	Jul			-4.30%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.32	-0.2	-0.3
EUR/HUF	392.58	0.0	-0.6
EUR/PLN	4.24	0.0	-0.3
EUR/RON	5.07	-0.1	0.0
EUR/RSD	117.04	0.0	0.0
EUR/USD	1.18	0.4	0.4

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.48	0	-2
HUF	6.50	0	0
PLN	4.75	-2	-7
RON	6.54	0	-4
RSD	4.68	0	0
EUR	2.03	-2	-4

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.33	0	4
HU 10Y	7.08	-5	-4
PL 10Y	5.41	7	-11
RO 10Y	7.51	0	11
HR 10Y	3.02	-4	-7
SK 10Y	3.44	-6	-11

Group Research

Head of Group Research	
Friedrich Mostböck, CFA®, 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
Vlad Nicolae Ionita	+40 7867 15618
Eugen Sinca	+40 3735 10435
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
Magdalena Basic	+385 99 237 1407
Ivan Lisec	+385 99 237 2012
Boris Pevalek, CFA®	+385 99 237 2201
Marko Plastic	+385 99 237 5191
Davor Spoljar, CFA®	+385 72 37 2825
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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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