

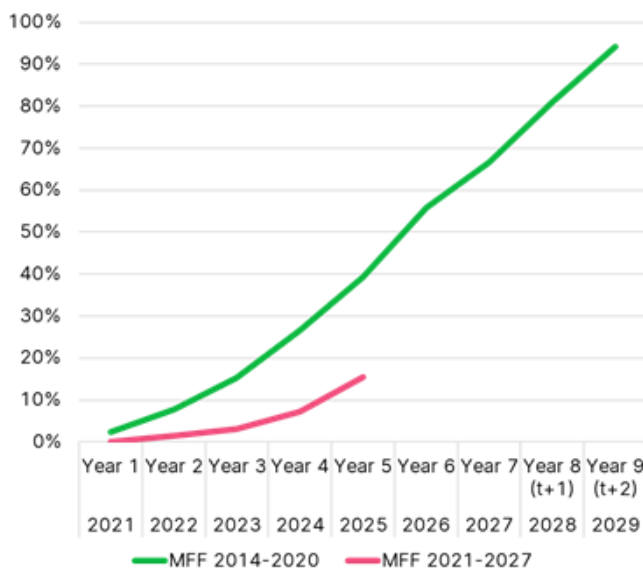
CEE MACRO AND FI DAILY

Cohesion fund disbursements lag behind previous cycle

On the Radar

- Poland's central bank lowered key rate to 4% on Wednesday.
- Today, Hungary (8.30 AM CET) and Slovakia (9 AM CET) will release retail sales data.
- At 9 AM CET, Czechia publishes November's inflation and wage growth in 3Q25.
- AT 3 PM, Governor Glapinski holds press conference.

Disbursement of Cohesion Funds for CEE7

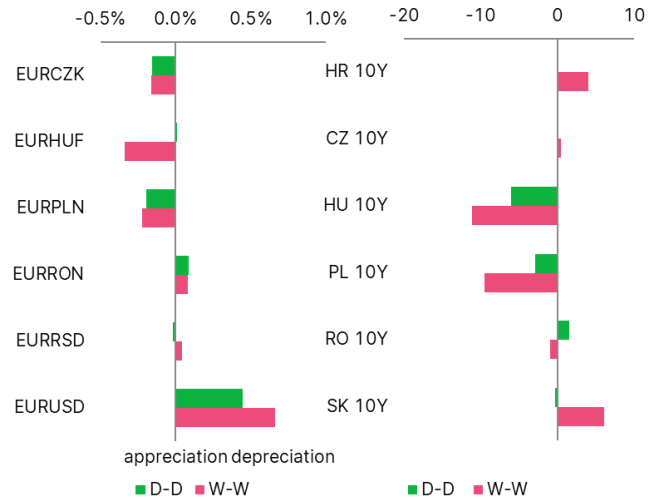


Source: Erste Group Research

Economic developments

The current disbursement under the MFF 2021–2027 is significantly lagging behind the previous cycle at comparable points in time. By the fifth year of the budgeting period, cumulative utilization of EU funds in the 2014–2020 MFF had reached around 40%, whereas in the current cycle only about 15% has been disbursed—resulting in a gap of roughly 25 percentage points. This delay is evident even earlier in the cycle. A key driver of underutilization of regular EU funds is the prioritization of the Recovery and Resilience Facility (RRF), which represents a sizable funding envelope. With 2026 marking the final year for drawing RRF resources, member states are focusing on maximizing absorption of these grants before the deadline. This front-loading of RRF disbursements has diverted administrative capacity away from traditional EU funds. In several CEE countries—such as Poland, Romania, and Slovenia—around half of the allocated RRF grants remain undisbursed, while in others the figure is closer to one-third.

Market performance



Source: Erste Group Research

Market developments

The National Bank of Poland decided yesterday to lower the key interest rate by 25 basis points, bringing it to 4.0%. The decision was driven by recent disinflationary developments, most notably the flash inflation estimate for November. The accompanying press statement reinforced this reasoning, highlighting a subdued inflation outlook for the coming quarters. We expect monetary easing to continue next year, with more clarity likely after the Governor's press conference. The Polish zloty has strengthened the most against the euro this week, although the Czech koruna and the Hungarian forint also advanced. Meanwhile, Serbia approved a government-proposed budget with a planned deficit of 3% of GDP for next year. The budget law envisages further increases in public sector salaries and the minimum wage, alongside higher capital expenditures, infrastructure projects, and defense procurements. More importantly, Serbian President Aleksandar Vučić noted that the lack of a U.S. response to suspend sanctions continues to hinder the operations of NIS, which has received no crude supplies for almost two months.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
04. Dec	08:30	HU	Retail Sales (y/y)	Oct	2.93%		3.00%
	09:00	CZ	CPI (y/y)	Nov P	2.60%	2.50%	2.50%
	09:00	CZ	CPI (m/m)	Nov P	0.20%	0.50%	0.50%
	09:00	CZ	Wages (y/y)	3Q	4.60%		5.30%
	09:00	SK	Retail Sales (y/y)	Oct			1.40%
05. Dec	08:00	RO	Retail Sales (y/y)	Oct		-3.10%	-1.90%
	08:00	RO	GDP (q/q)	3Q P		-0.20%	-0.20%
	08:00	RO	GDP (y/y)	3Q P		1.60%	1.60%
	08:30	HU	Industrial Production (y/y)	Oct	-4.37%		-1.50%
	09:00	SK	GDP (y/y)	3Q F			0.90%
	10:30	SI	Trade Balance	Oct			0.58

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.09	-0.2	-0.2
EUR/HUF	380.55	0.0	-0.3
EUR/PLN	4.22	-0.2	-0.2
EUR/RON	5.09	0.1	0.1
EUR/RSD	117.26	0.0	0.0
EUR/USD	1.17	0.4	0.7

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.55	0	-1
HUF	6.50	0	0
PLN	4.19	-1	-3
RON	6.21	-1	-2
RSD	4.69	0	0
EUR	2.03	-1	-4

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.56	0	0
HU 10Y	6.91	-6	-11
PL 10Y	5.10	-3	-10
RO 10Y	6.92	1	-1
HR 10Y	3.05	0	4
SK 10Y	3.40	0	6

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