

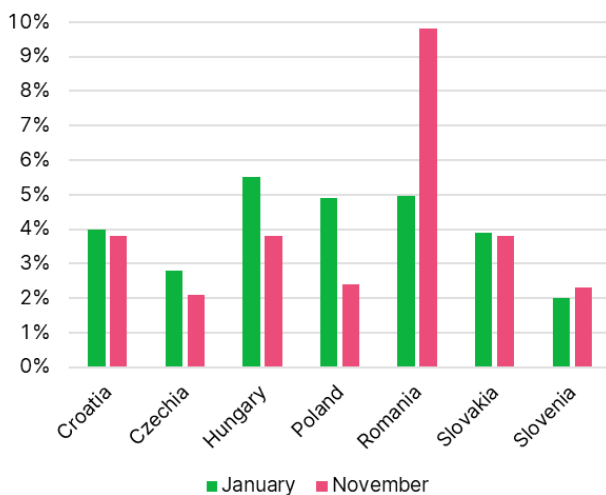
CEE MACRO AND FI DAILY

November's inflation declined in most CEE countries

On the Radar

- November's inflation in Romania was published at 9.8% y/y and 0.4% m/m.
- Wage growth for October in Romania was reported at 0.8% m/m and 6.3% y/y.
- National bank of Serbia kept the key interest rate at 5.75%.
- Today at 9:00CET, Slovakia will report wage growth and at 12:00 Serbia will publish inflation data.

2025 annual inflation in CEE

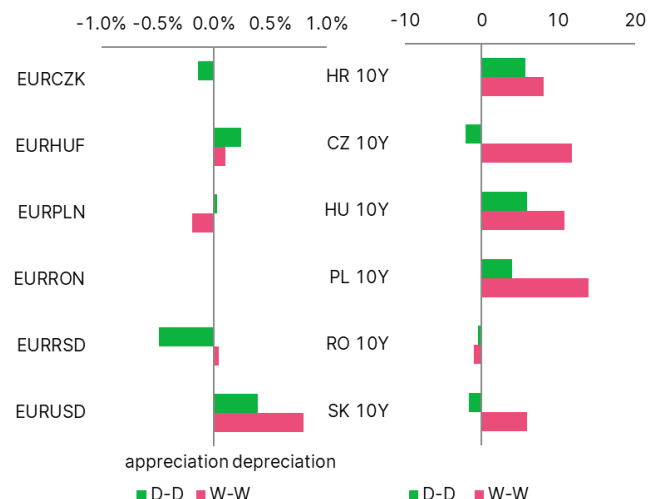


HICP for Slovakia; Source: Erste Group Research

Economic developments

November inflation data didn't bring any upside surprises; on the contrary, figures in several countries fell short of market expectations. In Czechia, the statistical office reported a 0.3% m/m decline in price levels due to food prices, bringing the annual rate down to 2.1% from 2.5%, below both our forecast and the consensus estimate of 2.6%. Food prices were also the primary reason for the lower-than-expected inflation in Poland, which landed at 2.4%. Prices in Slovenia remained stable on a monthly basis, resulting in a deceleration of the annual rate from 3.1% to 2.3%. Hungary also recorded a decline, moving from 4.3% y/y in October to 3.8% in November, thanks to favorable base effects. On the other hand, Romania continues to record the highest inflation in the region, currently standing at 9.8% y/y. While this is largely attributable to the elimination of the electricity price cap in July and indirect tax hikes implemented in August, core inflationary pressures remain also elevated. In summary, with the exceptions of Slovenia and Romania, the majority of countries in the region are currently reporting lower inflation rates than those observed at the start of the year.

Market performance



Source: Erste Group Research

Market developments

At yesterday's rate-setting meeting of the Serbian central bank, the MPC left its key rate unchanged. Although inflation has returned to the target range and economic growth has slowed, U.S. sanctions against the NIS oil refinery prevented the central bank from considering a rate cut until a resolution is found. The sanctions pose inflationary risks (due to potential fuel shortages) and currency risks (stemming from possible secondary sanctions). The dinar appreciated yesterday, erasing its losses from the previous day. In the Czech Republic, MPC member Kubicek shared his view on the future direction of monetary policy. He sees a rate hike as more likely than a cut but considers market expectations for its delivery next year premature. While he does not rule out a rate cut, such a move would depend on external impulses. Meanwhile, Poland's MPC member Duda sees room for further easing of 25–50bp if incoming inflation data align with forecasts. However, at this moment, he prefers a wait-and-see approach until March.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
11. Dec	12:00	RS	Central Bank Rate	Dez 25		5.8%	5.8%
12. Dec	08:00	RO	CPI (y/y)	Nov		9.8%	9.8%
	08:00	RO	CPI (m/m)	Nov		0.5%	0.5%
	08:00	RO	Wages (y/y)	Oct			4.1%
	09:00	SK	Wages (y/y)	Oct			3.1%
	12:00	RS	CPI (y/y)	Nov		2.8%	2.8%
	12:00	RS	CPI (m/m)	Nov			0.5%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.17	-0.1	0.0
EUR/HUF	382.71	0.2	0.1
EUR/PLN	4.22	0.0	-0.2
EUR/RON	5.09	0.0	0.0
EUR/RSD	117.27	-0.5	0.0
EUR/USD	1.17	0.4	0.8

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.54	0	-1
HUF	6.50	0	0
PLN	4.05	-2	-10
RON	6.20	0	-1
RSD	4.68	0	-1
EUR	2.10	2	4

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.65	-2	12
HU 10Y	7.00	6	11
PL 10Y	5.26	4	14
RO 10Y	6.89	0	-1
HR 10Y	3.13	6	8
SK 10Y	3.50	-2	6

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