

CEE MACRO AND FI DAILY

Labor costs grew above EU average in 3Q25

On the Radar

- Today at 10 AM CET, Poland releases industrial output growth in November, producer prices, employment and wage growth.
- In the afternoon, Czech central bank holds a rate setting meeting.

Labor costs in 3Q25, % y/y

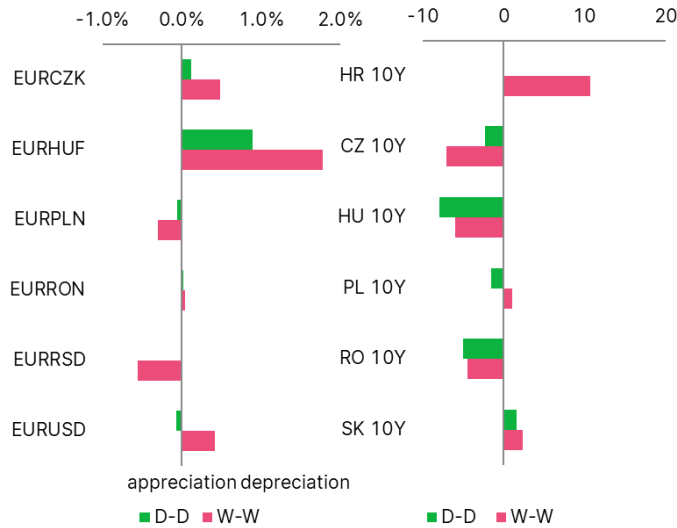


Source: Erste Group Research

Economic developments

Today we look at hourly labor costs in the region in the third quarter of 2025/ Serbia is leading at approximately 11.7% y/y growth per hour, well above the regional average and nearly three times higher than Slovenia, which records the lowest growth of labor cost at around 1.6% y/y per hour. Croatia and Hungary follow Serbia with growth of labor costs close to 9% y/y while Poland, Czechia, Slovakia, and Romania cluster between 6% and 8% y/y growth. Notably, all CEE countries remain below the EU27 average of roughly 3.7% y/y growth. The growth of labor costs naturally reflects higher inflation within the region, but not only. Tight labor market conditions (unemployment rate much lower in most of CEE countries than EU27 average) also adds to the cost's pressure.

Market performance



Source: Erste Group Research

Market developments

Today, in the region, Czech central bank holds a rate setting meeting and we do not expect any change. Also today, we and the market expect the ECB to leave key interest rates unchanged. The combination of satisfactory growth prospects and an inflation outlook in the target range of 2% forms the basis for the expectation that there should be no change in key interest rates by the ECB in the foreseeable future. As for the FX market, the EURHUF moved visibly higher to 389 in response to change in the Hungarian central bank stance and dovish statement after the central bank's meeting on Tuesday. The Czech koruna also has been weaker against the euro this week, while the Polish zloty has strengthened. Long-term yields remain marginally lower. Poland's central banker Ludwik Kotecki stated that a pause in interest rate cuts will likely last until March or April 2026, after which he sees room for a maximum of one or two more cuts.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
18. Dec		RS	Current Account Balance (monthly)	Oct			-343.70
	10:00	PL	Industrial Production (y/y)	Nov	2.6%		3.2%
	10:00	PL	PPI (y/y)	Nov	-2.5%		-2.2%
	10:00	PL	Wages (y/y)	Nov	6.4%		6.6%
	14:30	CZ	Central Bank Rate	Dec-25	3.5%	3.5%	3.5%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.33	0.1	0.5
EUR/HUF	388.59	0.9	1.8
EUR/PLN	4.21	-0.1	-0.3
EUR/RON	5.09	0.0	0.0
EUR/RSD	117.20	0.0	-0.6
EUR/USD	1.17	-0.1	0.4

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.54	0	0
HUF	6.50	0	0
PLN	4.03	-1	-4
RON	6.19	0	-1
RSD	4.68	0	0
EUR	2.05	-1	-3

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.60	-2	-7
HU 10Y	6.88	-8	-6
PL 10Y	5.23	-2	1
RO 10Y	6.85	-5	-4
HR 10Y	3.18	0	11
SK 10Y	3.54	2	2

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