

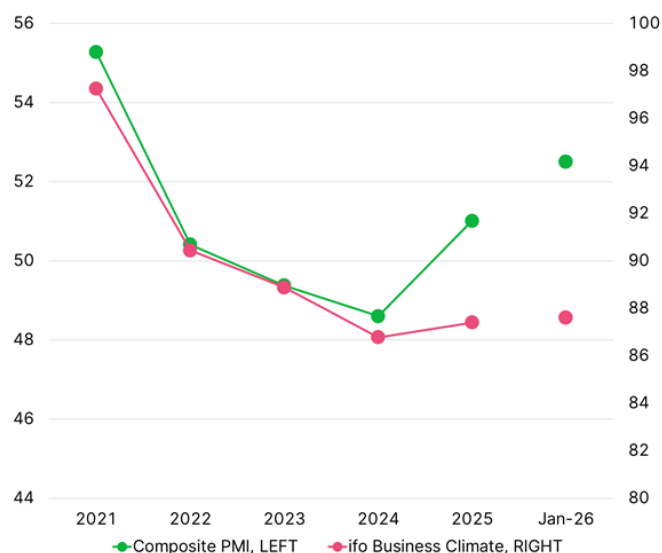
CEE MACRO AND FI DAILY

Economic sentiment in Germany indicates good start of the year

On the Radar

- Real retail sales in Poland landed at 5.3% y/y
- Real growth of wages in Serbia eased to 8.4% y/y in November.
- Today, unemployment rate will be released at 10 AM CET in Poland
- Hungarian central bank is scheduled to announce interest rate decision at 2 PM CET.

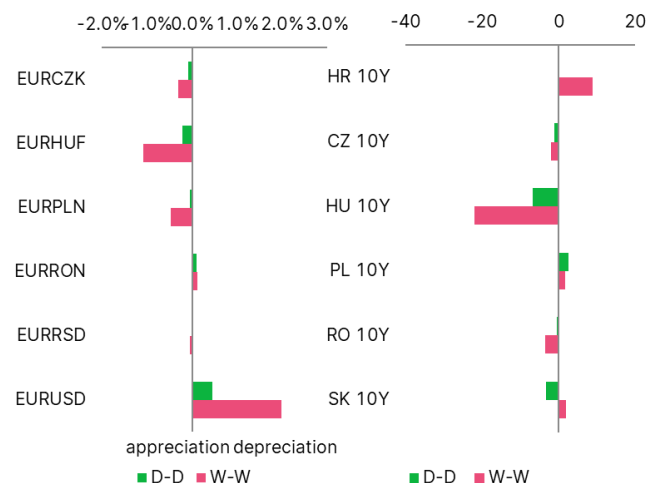
Composite PMI and ifo Business Climate Economic developments in Germany



Sentiment indicators in Germany (flash PMIs as well as ifo Business Climate) suggest solid beginning of 2026. After several years of deterioration, Germany's sentiment indicators show signs of stabilization. Both the Composite PMI and the ifo Business Climate have trended downward from their 2021 peaks, reflecting the prolonged weakness in Germany's industrial cycle and subdued domestic demand. The PMI fell sharply from above 55 in 2021 to below the 50-point threshold by 2023 and 2024, signaling contraction in activity. The ifo index followed a similar pattern. More recently, however, momentum has started to improve. The PMI Index has been recovering throughout 2025 and climbed back above 52 at the beginning of 2026. The ifo indicator has been stabilizing as well, though at a lower level, pointing to still cautious corporate sentiment.

Source: Erste Group Research

Market performance



Source: Erste Group Research

Market developments

Today, Hungarian central bank holds a rate setting meeting and we expect no change in key policy rate in January, following recent communication. Forward guidance regarding a potential February cut will be closely scrutinized after the meeting. EURHUF moved down to 381 at the beginning of the week. The Czech koruna and the Polish zloty also appreciated slightly against the euro. Long-term yields have moved slightly down across the region on Monday. Romania was active on the bond market selling RON 2 billion of government papers maturing in 2039 and 2034. European Commission approved SAFE Defense Loan funding for another eight countries (including Poland and Slovakia from the region). Serbia's President Aleksandar Vucic announced that Hungary's Mol Nyrt is seen paying up to EUR 1 billion to Russia's Gazprom Neft for 56.15% stake in the sole Serbia refinery.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
27. Jan	10:00	PL	Unemployment Rate	Dec	5.70%		5.60%
	14:00	HU	Central Bank Rate	Jan 27	6.50%	6.5%	6.50%
28. Jan	09:00	SK	PPI (y/y)	Dec			0.70%
	10:30	SI	Retail Sales (y/y)	Dec		1.5%	1.00%
	10:30	SI	PPI (y/y)	Dec			1.10%
29. Jan	08:30	HU	PPI (y/y)	Dec			-2.65%
	08:30	HU	Trade Balance	Dec	31.33		35.00

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.21	-0.1	-0.3
EUR/HUF	381.19	-0.2	-1.1
EUR/PLN	4.20	-0.1	-0.5
EUR/RON	5.09	0.1	0.1
EUR/RSD	117.27	0.0	-0.1
EUR/USD	1.19	0.4	2.0

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.48	0	-2
HUF	6.40	0	0
PLN	3.92	1	-2
RON	5.90	0	-8
RSD	4.68	0	0
EUR	2.04	0	1

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.42	-1	-2
HU 10Y	6.56	-7	-22
PL 10Y	5.10	3	2
RO 10Y	6.68	0	-4
HR 10Y	3.30	0	9
SK 10Y	3.39	-3	2

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