

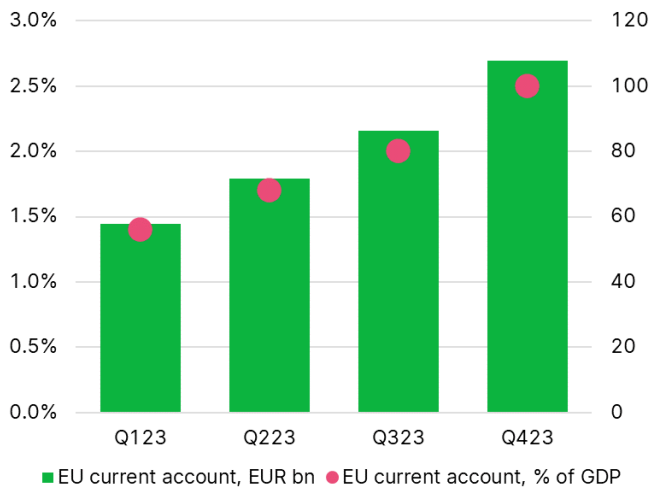
CEE MACRO AND FI DAILY

EU sees increasing current account surplus

On the Radar

- Inflation rate in Czechia landed at 2.0% y/y.
- Industrial production in Slovakia arrived at 0% y/y.
- At 10.30 AM CET Slovenia will release industrial output growth for February.
- Later today, Hungarian central bank will release minutes from the meeting.

EU current account, EUR billion and % of GDP

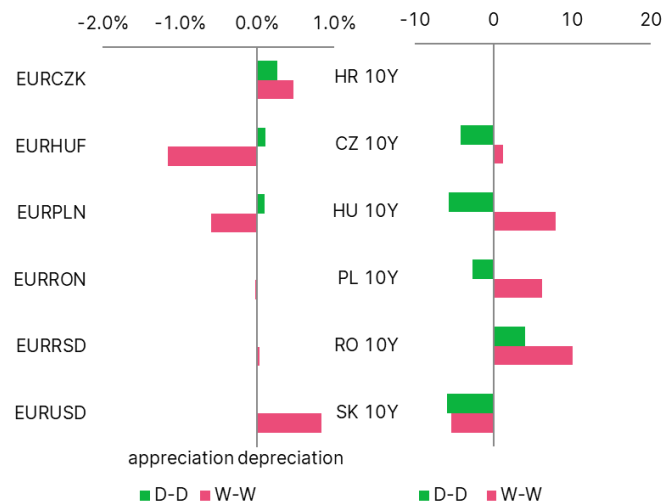


Economic developments

The seasonally adjusted current account surplus of the entire European Union has been continuously growing throughout the last year, reaching more than 2% of GDP in the fourth quarter of 2023. The current account balance dived deep in the middle of 2022 due to soaring energy prices that strongly affected the value of imports, pushing the current account balance into the red. A similar development could have been observed in the region, where current account deficits in 2022 extended to as much as -6.0% of GDP in Poland, more than -8% of GDP in Hungary, or more than -9% of GDP in Romania. 2023 brought an improvement, and this year we see current account deficits only in Romania, Serbia, and Slovakia. All other CEE countries should see a current account surplus.

Source: Erste Group Research

Market performance



Source: Erste Group Research

Market developments

The Polish zloty continued to strengthen on Tuesday as EURPLN went down toward 4.26. The Czech koruna and Hungarian forint have been weaker against the euro this week. The Polish Prime Minister commented on the recent strengthening of the Polish zloty by saying that it is worth having a balanced exchange rate. He also sees the recent FX market development as a sign of credibility of investors for his cabinet. The Hungarian Finance Minister stated that they plan to delay some investments to meet the budget deficit plan of 4.5% of GDP this year. As economic growth has been weaker than expected and the interest rate costs remain high, the budget gap in the first quarter widened to HUF 2.17 trillion. The Romanian government suggested that the size of the Samurai bonds issuance could reach EUR 200 to 300 million to check the appetite for the Romanian government papers, according to the Treasury Chief Nanu.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
10. Apr		SK	Industrial Production (y/y)	Feb		-1.50%	-0.80%
	09:00	CZ	CPI (y/y)	Mar		1.80%	2.00%
	09:00	CZ	CPI (m/m)	Mar		0.00%	0.30%
	10:30	SI	Industrial Production (y/y)	Feb		-1.00%	12.20%
11. Apr	08:00	RO	CPI (y/y)	Mar	6.80%	6.90%	7.23%
	08:00	RO	CPI (m/m)	Mar	0.58%	0.70%	0.81%
	08:30	HU	CPI (y/y)	Mar	3.53%		3.70%
	08:30	HU	CPI (m/m)	Mar	0.67%		0.70%
	12:00	RS	Central Bank Rate	Apr 24		6.50%	6.50%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.38	0.3	0.5
EUR/HUF	389.86	0.1	-1.2
EUR/PLN	4.26	0.1	-0.6
EUR/RON	4.97	0.0	0.0
EUR/RSD	117.02	0.0	0.0
EUR/USD	1.09	0.0	0.8

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	5.55	-1	-5
HUF	7.73	-2	-9
PLN	5.86	0	-2
RON	6.05	0	0
RSD	5.69	0	0
EUR	3.92	1	3

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.99	-4	1
HU 10Y	6.87	-6	8
PL 10Y	5.53	-3	6
RO 10Y	6.64	4	10
HR 10Y	3.25	0	0
SK 10Y	3.43	-6	-5

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