

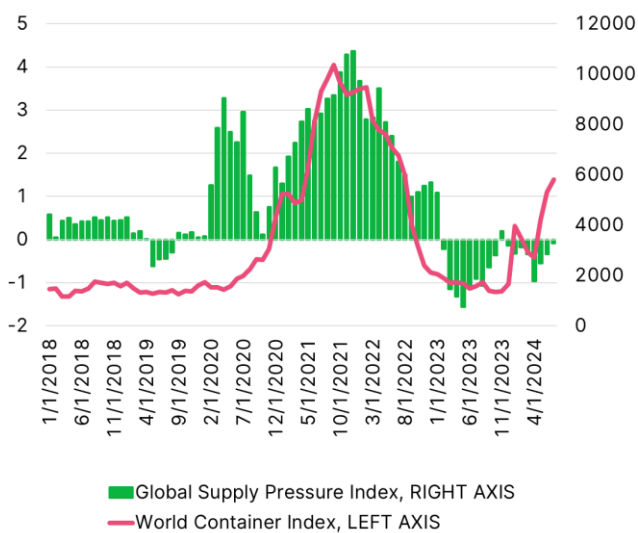
CEE MACRO AND FI DAILY

External conditions mostly pro-inflationary

On the Radar

- Unemployment rate inched up in Poland to 5.0% in July.
- In Slovenia unemployment rate in 2Q24 remained flat at 3.4%.
- In Serbia, real wage growth slowed to 8.0% y/y in June from 11.3% y/y in the previous month.
- Today, at 11 AM CET Croatia will release the 2Q24 GDP growth together with the structure.
- At 2 PM CET Hungarian central bank will announce the rate decision.

World Container Index and Global Supply Pressure Index

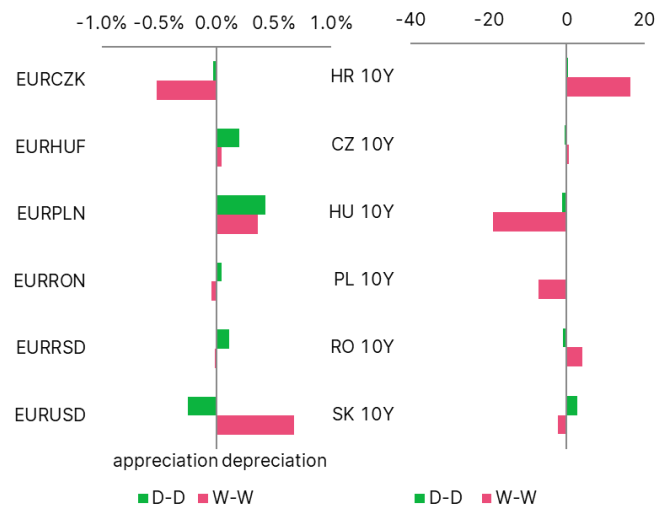


Source: Erste Group Research

Economic developments

Today, we will look at factors that could influence price development from both the producer's and consumer's perspective. The tense situation in the Middle East, along with the risk of a wider conflict (Hezbollah launched hundreds of rockets and drones at Israel early on Sunday, as Israel's military said it struck Lebanon with around 100 jets to thwart a larger attack. It was one of the biggest clashes in more than 10 months of border warfare and there was no agreement on Sunday in the Gaza ceasefire talks that took place in Cairo), is likely to affect the price of oil or shipping costs. The price of oil has increased over the last few days, and if this trend continues, it will exert upwards pressure on inflation. In addition, the World Container Index has risen substantially, reaching its highest value in two years. We view this as one of the factors that may drive producer prices up. On a more positive note, the Global Supply Pressure Index, which combines transportation cost data and manufacturing indicators, remains stable.

Market performance



Source: Erste Group Research

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Market developments

In terms of markets, the Hungarian central bank has a rate setting meeting today. Despite a surprising cut in July, we do not anticipate any changes in the key policy rate this time, which currently stands at 6.75%. The July inflation rate was higher than expected, which supports our view of stable rates. The EURHUF remains steady at 394, while the EURCZK has dropped closer to 25 and the EURPLN trades at 4.28, which is slightly higher than last week's end. Bond yields are experiencing a slight downward trend across most countries, with the exception of Poland, where they remain stable. The Czech Ministry of Finance has announced plans for bond auctions in September, with the aim of delivering CZK 17 billion of local government papers maturing between 2032 and 2043.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
27. Aug	09:00	SK	PPI (y/y)	Jul		-7.4%	-9.6%
	11:00	HR	GDP (y/y)	2Q		3.6%	3.9%
	14:00	HU	Central Bank Rate	Aug 24	6.63%		6.8%
28. Aug			No releases scheduled				

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.01	0.0	-0.5
EUR/HUF	394.04	0.2	0.0
EUR/PLN	4.28	0.4	0.4
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.98	0.1	0.0
EUR/USD	1.12	-0.3	0.7

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	4.40	0	-1
HUF	6.53	-1	-1
PLN	5.85	0	-1
RON	5.57	-1	-1
RSD	5.16	0	0
EUR	3.52	0	-3

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.74	0	1
HU 10Y	6.11	-1	-19
PL 10Y	5.23	0	-7
RO 10Y	6.64	-1	4
HR 10Y	3.36	0	16
SK 10Y	3.29	3	-2

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