

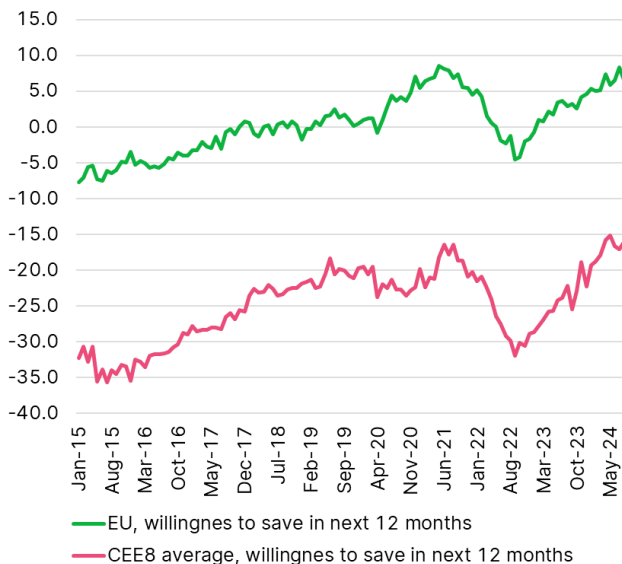
CEE MACRO AND FI DAILY

Highest savings propensity since 2015

On the Radar

- July's retail sales in Romania arrived at 7.4% y/y in calendar-adjusted terms.
- Today, we will see retail sales also in Slovakia, Czechia and Hungary.
- Slovakia will also publish GDP structure for Q2.
- In the afternoon Governor Glapinski holds a press conference following the rate decision.

Willingness to save in next 12 months, balance

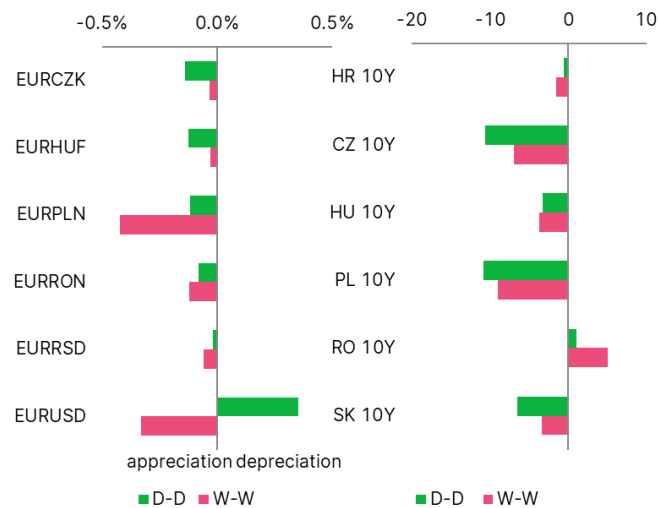


Source: Erste Group Research

Economic developments

Today, we will be discussing the region's willingness to save. The Economic Sentiment Indicator survey asks consumers how they see their savings in the next 12 months. Based on the answers received, we can conclude that the willingness to save in the region remains at its highest level since 2015. The accumulation of savings during the pandemic was used to buffer the impact of inflation shocks on households' budgets. Since then, the accumulation of savings is taking place again. With inflation falling and wages growing dynamically, disposable income has increased, resulting in solid private consumption growth. However, not all income is spent, and the rebuilding of savings seems to be taking place.

Market performance



Source: Erste Group Research

Market developments

It was unsurprising that Poland maintained its key rate at 5.75%. However, there is limited clarity on the timing of the first rate cut, with elevated inflation being driven by wages and energy prices. We anticipate that yesterday's press release may have mentioned the new 2025 budget, which is expansionary and thus pro-inflationary. The communique only indirectly addresses this by mentioning that "inflation will also be influenced by fiscal and regulatory policies, economic recovery pace, and labor market conditions". Governor Glapinski's press conference may provide more insight into the timing of monetary easing in the course of 2025. In Hungary, Governor Virag stated that the country needs to be sure that inflation is anchored at around 3% in a stable manner before deciding on further monetary easing. On the FX market, the EURPLN moved down to 4.27, while the Czech koruna and the Hungarian forint have been marginally weaker against the euro this week. Long-term yields keep moving down, and Czechia successfully placed the 2043 government papers, selling CZK 2.4 billion amid solid demand.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
05. Sep	08:00	RO	Retail Sales (y/y)	Jul		10.00%	10.0%
	08:30	HU	Retail Sales (y/y)	Jul		2.9%	2.6%
	09:00	SK	Retail Sales (y/y)	Jul		4.5%	1.1%
	09:00	SK	GDP (y/y)	2Q F		1.9%	1.9%
06. Sep	08:00	RO	GDP (q/q)	2Q P		0.1%	0.1%
	08:00	RO	GDP (y/y)	2Q P		0.8%	0.8%
	08:30	HU	Industrial Production (y/y)	Jul		-6.1%	-3.7%
	09:00	CZ	Industrial Production (y/y)	Jul		-1.9%	-3.4%
	09:00	CZ	Trade Balance	Jul		9.50	16.30
	09:00	SK	Trade Balance	Jul		250.00	647.40
	12:00	RS	PPI (y/y)	Aug			2.0%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.02	-0.1	0.0
EUR/HUF	393.01	-0.1	0.0
EUR/PLN	4.27	-0.1	-0.4
EUR/RON	4.97	-0.1	-0.1
EUR/RSD	116.89	0.0	-0.1
EUR/USD	1.11	0.4	-0.3

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	4.35	-1	-2
HUF	6.50	0	-2
PLN	5.87	2	2
RON	5.55	0	-3
RSD	5.15	0	-1
EUR	3.45	-1	-6

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.75	-11	-7
HU 10Y	6.14	-3	-4
PL 10Y	5.31	-11	-9
RO 10Y	6.68	1	5
HR 10Y	3.35	-1	-2
SK 10Y	3.27	-6	-3

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