

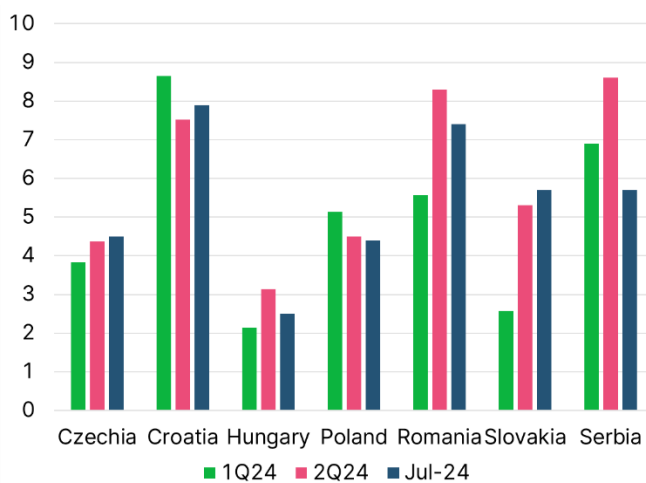
## CEE MACRO AND FI DAILY

# Retail performance in July not great, but also not terrible

## On the Radar

- In Romania, 2Q24 GDP growth was confirmed at +0.1% q/q and +0.8% y/y in 2Q24. The positive contributions of consumption and investments to the annual growth of the GDP were offset by net exports and inventories.
- Hungarian industrial output growth arrived at -6.4% y/y in July, below market expectations.
- In Czechia industrial output landed at -1.9% y/y in July.
- In Czechia and Slovakia July's trade balance was at CZK -4.1billion and EUR 205.8 million respectively.
- At 11 AM CET Croatia will also publish trade data.
- At noon CET, Serbia will end the week with PPI Index release.

## Real retail sales growth, percent

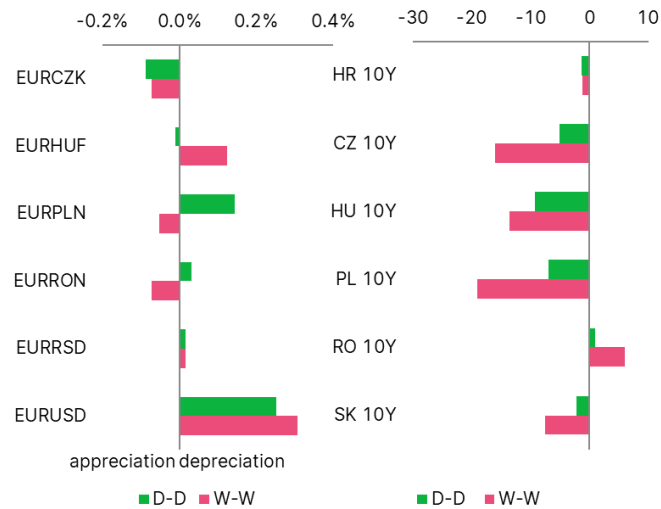


Source: Erste Group Research

## Economic developments

We have a full set of July's retail sales data for the whole region. The beginning of the third quarter is not great, but it is also not terrible. Let's start with the good news. In Czechia, year-on-year sales growth outperformed expectations. Overall, the data affirm the ongoing favorable trends in the retail sector, primarily driven by a resurgence in household consumption. In Croatia and Slovakia, retail sales growth dynamics were solid in July as well. On the other hand, July's performance of the retail sector in Hungary, Poland, and Romania was a bit disappointing. Therefore, in Hungary, the recovery is likely to progress gradually due to the nearly double-digit positive change in real wages, although this increase might be somewhat hampered by the cautious behavior related to recent welfare losses, although this effect is diminishing. Finally, in Romania, although the growth dynamics decelerated in July, consumer confidence improved in August and remained above the long-term average. Romanian households are more willing to purchase big-ticket items in the next twelve months, and they are more optimistic about the general economic situation.

## Market performance



Source: Erste Group Research

### Analyst:

Juraj Kotian  
+43 (0)5 0100 17357  
juraj.kotian@erstegroup.com

### Analyst:

Katarzyna Rzentarzewska  
+43 5 0100 17356  
katarzyna.rzentarzewska@erstegroup.com

## Market developments

In Poland, Governor Glapinski held a press conference on Thursday afternoon. He outlined the conditions for monetary easing to begin in 2025 which include stable inflation around 5% and a projection showing a downward trajectory. Although he hopes these conditions are fulfilled in March, he pointed out that the most likely timing is in the middle of the year. We understand from his statements that the first 25 basis point rate cut will occur at the meeting when growth and inflation projection is published, which is in March or July. Although Finance Minister Varga denied the information about the Prime Minister's plans to drop fiscal consolidation in the years to come and run a loose fiscal policy ahead of the 2026 parliamentary election, such a scenario casts doubt on Hungary's future fiscal stance. CEE currencies strengthened against the euro after the US data publication which showed that employment data missed estimates. The long-term yields declined the most in Czechia and Hungary since the beginning of the week.

## Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
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	25.00	-0.1	-0.1
EUR/HUF	392.97	0.0	0.1
EUR/PLN	4.28	0.1	-0.1
EUR/RON	4.97	0.0	-0.1
EUR/RSD	116.91	0.0	0.0
EUR/USD	1.11	0.3	0.3

## 3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	4.34	-1	-3
HUF	6.50	0	-2
PLN	5.86	-1	1
RON	5.55	0	-2
RSD	5.15	0	-1
EUR	3.47	2	-3

## 10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.70	-5	-16
HU 10Y	6.04	-9	-14
PL 10Y	5.24	-7	-19
RO 10Y	6.69	1	6
HR 10Y	3.34	-1	-1
SK 10Y	3.24	-2	-8

## Group Research

<b>Head of Group Research</b> Friedrich Mostböck, CEFA®, CESGA®	+43 (0)5 0100 11902	<b>GM Retail Products &amp; Business Development</b> Head: Martin Langer	+43 (0)50100 11313
<b>CEE Macro/Fixed Income Research</b> Head: Juraj Kotian (Macro/FI) Katarzyna Rzentarzewska (Fixed income) Jakub Cery (Fixed income)	+43 (0)5 0100 17357 +43 (0)5 0100 17356 +43 (0)5 0100 17384	<b>Corporate Treasury Product Distribution AT</b> Head: Martina Kranzl-Carvell	+43 (0)5 0100 84147
<b>Croatia/Serbia</b> Alen Kovac (Head) Mate Jelić Ivana Rogic	+385 72 37 1383 +385 72 37 1443 +385 72 37 2419	<b>Group Securities Markets</b> Head: Thomas Einramhof	+43 (0)50100 84432
<b>Czech Republic</b> David Navrátil (Head) Jiri Polansky Michal Skorepa	+420 956 765 439 +420 956 765 192 +420 956 765 172	<b>Institutional Distribution Core</b> Head: Jürgen Niemeier	+49 (0)30 8105800 5503
<b>Hungary</b> Orsolya Nyeste János Nagy	+361 268 4428 +361 272 5115	<b>Institutional Distribution DACH+</b> Head: Marc Frieberthshäuser Bernd Bollhof Andreas Goll Mathias Gindele Ulrich Inhofner Sven Kienzle Rene Klasen Christopher Lampe-Traupe Danijel Popovic Michael Schmotz Christoph Ungerböck Klaus Vosseler <b>Slovakia</b> Šarlota Šipulová Monika Směliková	+49 (0)711 810400 5540 +49 (0)30 8105800 5525 +49 (0)711 810400 5561 +49 (0)711 810400 5562 +43 (0)5 0100 85544 +49 (0)711 810400 5541 +49 (0)30 8105800 5521 +49 (0)30 8105800 5523 +49 1704144713 +43 (0)5 0100 85542 +43 (0)5 0100 85558 +49 (0)711 810400 5560  +421 2 4862 5619 +421 2 4862 5629
<b>Romania</b> Ciprian Dascalu (Head) Eugen Sinca Dorina Ilasco Vlad Nicolae Ionita	+40 3735 10108 +40 3735 10435 +40 3735 10436 +40 7867 15618	<b>Institutional Distribution CEE &amp; Insti AM CZ</b> Head: Antun Burić Jaromir Malak	+385 (0)7237 2439 +43 (0)5 0100 84254
<b>Slovakia</b> Maria Valachyova (Head) Matej Hornak Marian Kocis	+421 2 4862 4185 +421 902 213 591 +421 904 677 274	<b>Czech Republic</b> Head: Ondřej Čech Milan Bartoš Jan Porvich Pavel Zdíchynec	+420 2 2499 5577 +420 2 2499 5562 +420 2 2499 5566 +420 2 2499 5590
<b>Major Markets &amp; Credit Research</b> Head: Rainer Singer Ralf Burchert, CEFA®, CESGA® (Sub-Sovereigns & Agencies) Hans Engel (Global Equities) Maurice Jiszda, CEFA®, CFDS® (USA, CHF) Peter Kaufmann, CFA® (Corporate Bonds) Heiko Langer (Financials & Covered Bonds) Stephan Lingnau (Global Equities) Maximilian Möstl (Credit Analyst Austria) Carmen Riefler-Kowarsch (Financials & Covered Bonds) Bernadett Povaszal-Römhild, CEFA®, CESGA® (Corporate Bonds) Elena Statelov, CIIA® (Corporate Bonds) Gerald Waiek, CFA® (Eurozone)	+43 (0)5 0100 17331 +43 (0)5 0100 16314 +43 (0)5 0100 19835 +43 (0)5 0100 19630 +43 (0)5 0100 11183 +43 (0)5 0100 85509 +43 (0)5 0100 16574 +43 (0)5 0100 17211 +43 (0)5 0100 19632 +43 (0)5 0100 17203 +43 (0)5 0100 19641 +43 (0)5 0100 16360	<b>Institutional Asset Management Czech Republic</b> Head: Petr Holeček Petra Maděrová Martin Peřina David Petráček Blanka Weinerová Petr Valenta <b>Croatia</b> Head: Antun Burić Zvonimir Tukač Ana Tunjić Natalija Žujic <b>Hungary</b> Head: Peter Csizmadia Gábor Bálint Balázs Papay Gergő Szabo <b>Romania</b> Head: Cristian Vasile Pascu	+420 956 765 453 +420 956 765 178 +420 956 765 106 +420 956 765 809 +420 956 765 317 +420 956 765 140  +385 (0)7237 2439 +385 (0)7237 1787 +385 (0)7237 2225 +385 (0)7237 1638  +36 1 237 8211 +36 1 237 8205 +36 1 237 8213 +36 1 237 8209  +40 373 511 695
<b>CEE Equity Research</b> Head: Henning EbKuchen, CESGA® Daniel Lion, CIIA® (Technology, Ind. Goods&Services) Michael Marschallinger, CFA® Nora Nagy (Telecom) Christoph Schultes, MBA, CIIA® (Real Estate) Thomas Unger, CFA® (Banks, Insurance) Vladimira Urbankova, MBA (Pharma) Martina Valenta, MBA	+43 (0)5 0100 19634 +43 (0)5 0100 17420 +43 (0)5 0100 17906 +43 (0)5 0100 17416 +43 (0)5 0100 11523 +43 (0)5 0100 17344 +43 (0)5 0100 17343 +43 (0)5 0100 11913	<b>Group Institutional Equity Sales</b> Head: Michal Řízek Werner Fürst Viktoria Kubalcova Thomas Schneidhofer Oliver Schuster <b>Czech Republic</b> Head: Michal Řízek Jiří Fereš Martin Havlan Pavel Krabička <b>Poland</b> Head: Jacek Jakub Langer Tomasz Galanciak Wojciech Wysocki Przemysław Nowosad Maciej Senderek <b>Croatia</b> Matija Tkalicanac <b>Hungary</b> Nandori Levente Krisztian Kandik Balasz Zankay <b>Romania</b> Valerian Ionescu	+420 224 995 537 +43 (0)50100 83121 +43 (0)5 0100 83124 +43 (0)5 0100 83120 +43 (0)5 0100 83119  +420 224 995 537 +420 224 995 554 +420 224 995 551 +420 224 995 411  +48 22 257 5711 +48 22 257 5715 +48 22 257 5714 +48 22 257 5712 +48 22 257 5713  +385 72 37 21 14  + 36 1 23 55 141 + 36 1 23 55 162 + 36 1 23 55 156  +40 3735 16541
<b>Croatia/Serbia</b> Mladen Dodig (Head) Boris Pevalek, CFA® Marko Plastic Matej Pretkovic Bruno Barbic Davor Spoljar, CFA® Magdalena Basic	+381 11 22 09178 +385 99 237 2201 +385 99 237 5191 +385 99 237 7519 +385 99 237 1041 +385 72 37 2825 +385 99 237 1407	<b>Group Fixed Income Securities Markets</b> Head: Goran Hobljaj	+43 (0)50100 84403
<b>Czech Republic</b> Petr Bartek (Head, Utilities) Jan Bystřický	+420 956 765 227 +420 956 765 218	<b>Fixed Income Flow Sales</b> Head: Gorjan Hobljaj Margit Hraschek Christian Kienesberger Ciprian Mitu Bernd Thaler Zsuzsanna Toth <b>Poland</b> Pawel Kielek Michal Jarmakowicz	+43 (0)5 0100 84403 +43 (0)5 0100 84403 +43 (0)5 0100 84117 +43 (0)5 0100 84323 +43 (0)5 0100 85612 +43 (0)5 0100 84119 +36 1 237 8209  +48 22 538 6223 +43 50100 85611
<b>Hungary</b> József Miró (Head) András Nagy Tamás Pletser, CFA® (Oil & Gas)	+361 235 5131 +361 235 5132 +361 235 5135	<b>Fixed Income Flow Trading</b> Head: Gorjan Hobljaj	+43 (0)5 0100 84403
<b>Poland</b> Cezary Bernatek (Head) Piotr Bogusz Łukasz Jańczak Krzysztof Kawa, CIIA® Jakub Szkopek	+48 22 257 5751 +48 22 257 5755 +48 22 257 5754 +48 22 257 5752 +48 22 257 5753	<b>Group Fixed Income Securities Trading</b> Head: Goran Hobljaj	+43 (0)50100 84403
<b>Romania</b> Caius Rapanu	+40 3735 10441	<b>Group Equity Trading &amp; Structuring</b> Head: Ronald Nemec	+43 (0)50100 83011
<b>Group Markets</b>		<b>Business Support</b> Bettina Mahoric	+43 (0)50100 86441
<b>Head of Group Markets</b> Oswald Huber	+43 (0)5 0100 84901		
<b>Group Markets Retail and Agency Business</b> Head: Christian Reiss	+43 (0)5 0100 84012		
<b>Markets Retail Sales AT</b> Head: Markus Kaller	+43 (0)5 0100 84239		
<b>Group Markets Execution</b> Head: Kurt Gerhold	+43 (0)5 0100 84232		
<b>Retail &amp; Sparkassen Sales</b> Head: Uwe Kolar	+43 (0)5 0100 83214		
<b>Markets Retail Sales CZ</b> Head: Roman Choc	+420 956 765 374		
<b>Markets Retail Sales HUN</b> Head: Peter Kishazi	+36 1 23 55 853		

## Disclaimer

This publication was prepared by Erste Group Bank AG or any of its consolidated subsidiaries (together with consolidated subsidiaries "Erste Group") independently and objectively as general information. This publication serves interested investors as additional source of information and provides general information, information about product features or macroeconomic information without emphasizing product selling marketing statements. This publication does not constitute a marketing communication pursuant to Art. 36 (2) delegated Regulation (EU) 2017/565 as no direct buying incentives were included in this publication, which is of information character. This publication provides only other information without making any comment, value judgement or suggestion on its relevance to decisions which an investor may make and is therefore also no recommendation. Thus this publication does not constitute investment research pursuant to Art. 36 (1) delegated Regulation (EU) 2017/565. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to the prohibition on dealing ahead of the dissemination of investment research. The information only serves as non-binding and additional information and is based on the level of knowledge of the person in charge of drawing up the information on the respective date of its preparation. The content of the publication can be changed at any time without notice. This publication does not constitute or form part of, and should not be construed as, an offer, recommendation or invitation for a transaction in any financial instrument or connected financial instruments, and neither this publication nor anything contained herein shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or inclusion of a financial or connected financial instrument in a trading strategy. Information provided in this publication is based on publicly available sources which Erste Group considers as reliable, however, without verifying any such information by independent third persons. While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, Erste Group (including its representatives and employees) neither expressly nor tacitly makes any guarantee as to or assumes any liability for the up-to-dateness, completeness and correctness of the content of this publication. Erste Group may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that Erste Group endorses, recommends or approves any material on the linked page or accessible from it. Neither a company of Erste Group nor any of its respective managing directors, supervisory board members, executive board members, directors, officers or other employees shall be in any way liable for any costs, losses or damages (including subsequent damages, indirect damages and loss of profit) howsoever arising from the use of or reliance on this publication. Any opinion, estimate or projection expressed in this publication reflects the current judgment of the author(s) on the date of publication of this document and does not necessarily reflect the opinions of Erste Group. They are subject to change without prior notice. Erste Group has no obligation to update, modify or amend this publication or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. The past performance of a financial or connected financial instrument is not indicative for future results. No assurance can be given that any financial instrument or connected financial instrument or issuer described herein would yield favorable investment results or that particular price levels may be reached. Forecasts in this publication are based on assumptions which are supported by objective data. However, the used forecasts are not indicative for future performance of financial instruments incl. connected financial instruments. Erste Group, principals or employees may have a long or short position or may transact in financial instrument(s) incl. connected financial instruments referred to herein or may trade in such financial instruments with other customers on a principal basis. Erste Group may act as a market maker in financial instruments, connected financial instruments or companies resp. issuers discussed herein and may also perform or seek to perform investment services for those companies resp. issuers. Erste Group may act upon or use the information or conclusion contained in this publication before it is distributed to other persons. This publication is subject to the copyright of Erste Group and may not be copied, distributed or partially or in total provided or transmitted to unauthorized recipients. By accepting this publication, a recipient hereof agrees to be bound by the foregoing restrictions.

Erste Group is not registered or certified as a credit agency in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the Credit Rating Agencies Regulation). Any assessment of the issuers creditworthiness does not represent a credit rating pursuant to the Credit Rating Agencies Regulation. Interpretations and analysis of the current or future development of credit ratings are based upon existing credit rating documents only and shall not be considered as a credit rating itself.

© Erste Group Bank AG 2024. All rights reserved.

### Published by:

**Erste Group Bank AG**  
**Group Research**  
**1100 Vienna, Austria, Am Belvedere 1**  
**Head Office: Wien**  
**Commercial Register No: FN 33209m**  
**Commercial Court of Vienna**

Erste Group Homepage: [www.erstegroup.com](http://www.erstegroup.com)