

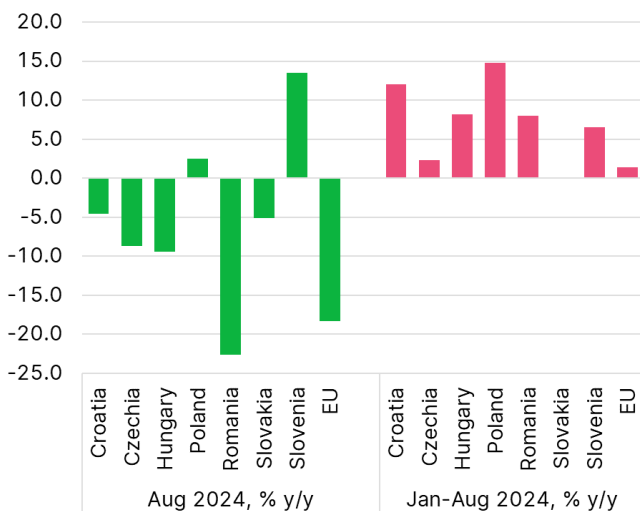
CEE MACRO AND FI DAILY

Car registrations drop in August

On the Radar

- Industrial output growth declined by -1.5% y/y in Poland in August.
- Producer prices declined by -5.1% y/y.
- Wage growth remains solid. In Poland nominal wage increased by 11.1% y/y in August, while in Croatia, real wage growth in July was at 12.8% y/y.
- In Croatia, unemployment rate was at 4.8% in July.
- Today, Slovakia will release July's unemployment rate.
- In Slovenia at 10.30 AM CET producer prices are due.

New car registrations, percent y/y

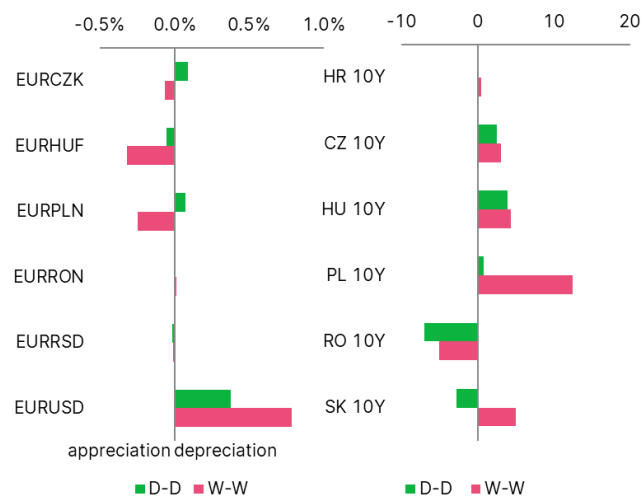


Economic developments

In August 2024, new EU car registrations saw a sharp decrease (-18.3%) according to the European Automobile Manufacturers' Association, with negative results across the major markets of the region. Specifically, double-digit losses were witnessed in Germany, France, and Italy. However, eight months into 2024, new car registrations increased by 1.4%. The picture in the region is quite similar, as almost all CEE countries saw a decline in August 2024, with only Poland and Slovenia maintaining positive growth of new car registrations. Year-to-date, new car registrations grew by 6.7% on average in the region, significantly above the EU average, which has been dragged down by declines of year-to-date new car registrations in France and Germany. In the region, new car registrations stagnated only in Slovakia, while growth in Croatia and Poland was in double digits.

Source: Erste Group Research

Market performance



Source: Erste Group Research

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Market developments

In the aftermath of the FOMC meeting, CEE currencies kept strengthening against the euro. Long-term yields showed mixed performance week-to-date. On Thursday, Ursula von der Leyen announced that countries hit by floods would have access to a €10 billion fund. Czechia announced it would widen the budget gap for this and next year due to costs of floods. According to Finance Minister Stanjura, in 2024 the deficit will be higher by CZK 30 billion compared to the initial plan of CZK 252 billion (roughly 0.4% of 2023 GDP) and in 2025 by CZK 10 billion (0.1% of GDP). The Romanian government presented a budget rectification, with a new deficit target of 6.94% of GDP for 2024, compared to 5.0% expected at the beginning of the year, driven mostly by fiscal easing ahead of elections. Romania successfully placed 7Y, 10Y, and 20Y Samurai bonds on the market.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
20. Sep	10:30	SI	PPI (y/y)	Aug			-1.90%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.06	0.1	-0.1
EUR/HUF	393.82	-0.1	-0.3
EUR/PLN	4.27	0.1	-0.2
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.93	0.0	0.0
EUR/USD	1.12	0.4	0.8

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	4.30	-1	-3
HUF	6.45	-1	-4
PLN	5.86	1	1
RON	5.55	0	0
RSD	4.93	-2	-22
EUR	3.46	0	-3

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.73	3	3
HU 10Y	6.09	4	4
PL 10Y	5.31	1	12
RO 10Y	6.70	-7	-5
HR 10Y	3.21	0	0
SK 10Y	3.26	-3	5

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