

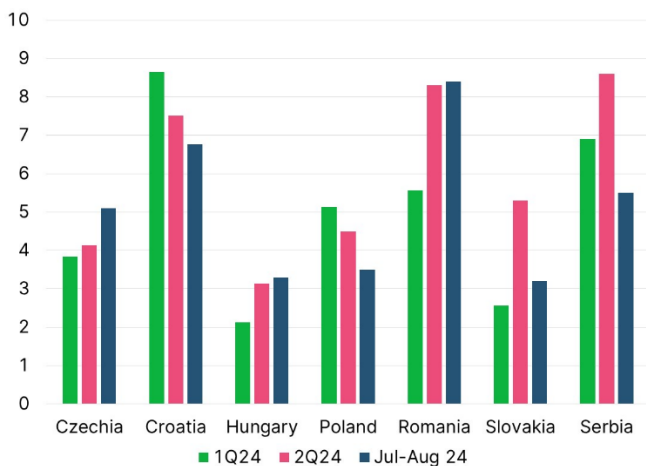
CEE MACRO AND FI DAILY

Heterogenous retail sales growth in recent months

On the Radar

- Retail sales in Slovakia increased by 0.7% y/y in August.
- In Czechia, industrial output increased by 0.4% y/y in August (NSA) and calendar-adjusted year-on-year growth reached 1.5%.
- Retail sales in Czechia accelerated to 5.3% y/y in August (excluding auto).
- Unemployment rate in Czechia increased marginally to 3.9% in September.
- In Serbia producer prices declined by -0.4% y/y in September.
- Today, there are no other releases scheduled in CEE.

Average retail sales growth, % y/y

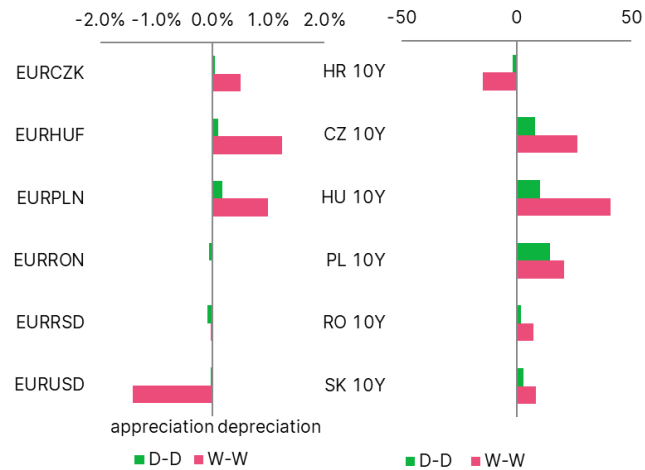


Source: Erste Group Research

Economic developments

Retail sales growth in the third quarter shows a mixed bag so far. In Croatia, Poland, Slovakia and Serbia, the average growth in July and August has been lower compared to the second quarter of 2024 and to the first quarter as well. Such development comes despite very strong growth of wages. On the other hand, in Czechia, Hungary and Romania, we see acceleration of the retail sales growth throughout the year. In Hungary, August's retail sales figures came as a slight positive surprise as volume of retail sales increased by 4.1% y/y in August, according to the calendar-adjusted statistics. In Romania and Czechia, there was similar development as retail sales growth arrived above the expectations. In Romania, retail sales grew by 9.2% in August due to very strong sales of non-food items that were the main driver of the positive surprise. In Czechia, retail sales growth accelerated to 5.3% y/y in August. All in all, however, data on retail sales point that the recovery may still lack a stronger impetus from the domestic side, although private consumption will unquestionably remain a key driver of the growth in 2024.

Market performance



Source: Erste Group Research

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Market developments

On the FX market, the CEE currencies continue to depreciate against the euro with EURCZK at 25.36, EURHUF above 400 and EURPLN touching 4.32 on Tuesday morning. Global factors are behind such development as risk-off mode dominates the investor's mood. The long-term yields are marginally higher this week in the region. Romania successfully placed RON 500 million of government papers on Monday meeting the target. Today, Hungary is holding a T-Bills auction.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
09. Oct	09:00	SK	Trade Balance	Aug		-30.00	205.80
10. Oct		SK	Industrial Production (y/y)	Aug		-2.0%	6.6%
	08:00	RO	Trade Balance	Aug			-2949.20
	08:00	RO	GDP (q/q)	2Q F	0.1%	0.10%	0.11%
	08:00	RO	GDP (y/y)	2Q F	0.80%	0.80%	0.76%
	08:30	HU	CPI (y/y)	Sep	3.07%	3.10%	3.40%
	08:30	HU	CPI (m/m)	Sep	0.05%	0.10%	
	09:00	CZ	CPI (y/y)	Sep	2.53%	2.40%	2.20%
	09:00	CZ	CPI (m/m)	Sep	-0.40%	-0.60%	0.30%
	10:30	SI	Industrial Production (y/y)	Aug		1.00%	0.30%
	11:00	HR	PPI (y/y)	Sep			-4.00%
	12:00	RS	Central Bank Rate	Okt 24		5.50%	5.75%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.32	0.0	0.5
EUR/HUF	401.64	0.1	1.2
EUR/PLN	4.32	0.2	1.0
EUR/RON	4.97	-0.1	0.0
EUR/RSD	116.85	-0.1	0.0
EUR/USD	1.10	0.0	-1.4

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	4.18	1	-2
HUF	6.31	0	-1
PLN	5.85	0	0
RON	5.55	0	0
RSD	4.93	0	-1
EUR	3.27	2	-1

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.95	8	26
HU 10Y	6.44	10	41
PL 10Y	5.46	15	21
RO 10Y	6.65	2	8
HR 10Y	3.06	-1	-15
SK 10Y	3.26	3	8

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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

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