

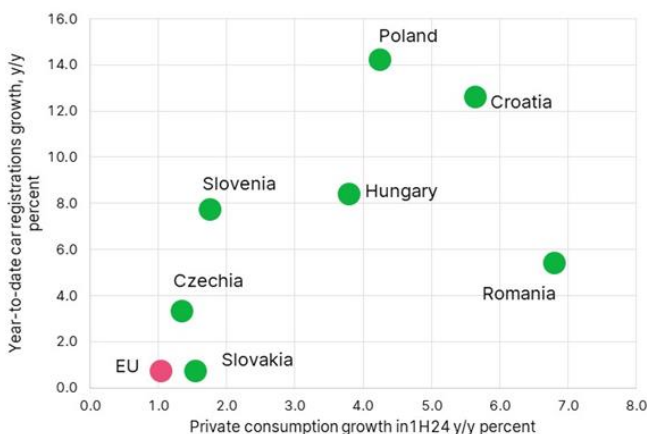
CEE MACRO AND FI DAILY

Car registrations in line with economic development

On the Radar

- Producer prices in Slovenia declined by -1.3% y/y in October.
- In Croatia unemployment rate increased marginally to 4.7% in October, while real wage growth remained solid at 12.8% y/y in September.
- In Hungary the wage growth landed at 12.5% y/y in September.
- Today, Slovenia publishes wage growth data.

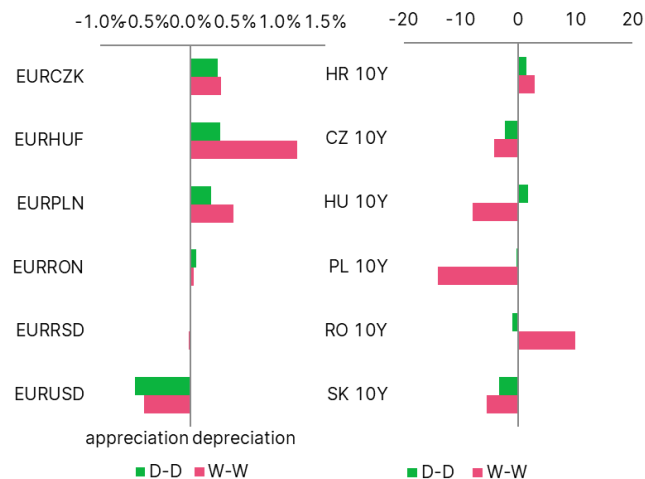
Car registrations vs. private consumption Economic developments growth



Source: Erste Group Research

We discussed shortly the development of the car registrations in the CEE region year-to-date, yesterday. There are quite substantial discrepancies between performance in Croatia and Poland as opposed to Czechia or Slovakia. These discrepancies in car registrations' development goes hand in hand with economic development. Croatia and Poland grew at the strongest pace among CEE countries (excluding Serbia that is not covered with car registrations data). Further, consumption growth is also very solid in these two countries. On the other hand, private consumption growth in Czechia and Slovakia close to 1% on average in the first half of the year is way weaker compared to Romania, Poland or Croatia. The other factor that may be of importance is the growth momentum i.e. whether private consumption has been accelerating or decelerating. Finally, Car purchases belong to durable goods' consumption that will be related to the overall financial conditions of the households as well as their propensity to consume as opposed to the propensity to save. The development in the EU as a whole will be strongly influenced by the underperformance of German industry and economy.

Market performance



Source: Erste Group Research

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Market developments

Global developments have been driving the FX market in the region. Russian forces have fired a new intermediate-range ballistic missile at Ukraine, in response to Kyiv's use this week of US and UK-made missiles in attacks on targets in Russia. In the aftermath, we have seen CEE currencies weakening with EURHUF moving above 410. On the bond market, the yields have moved slightly down since the beginning of the week apart from Romania that enters the election period. Over upcoming three consecutive Sundays Romanians will go to cast a vote. The first round of presidential elections is due 24 November with the runoff two weeks afterwards, and the general elections are scheduled in the Sunday between them.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
22. Nov	10:30	HU	Wages (y/y)	Sep			13.10%
	10:30	SI	Wages (y/y)	Sep			4.90%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.33	0.3	0.3
EUR/HUF	410.91	0.3	1.2
EUR/PLN	4.34	0.2	0.5
EUR/RON	4.98	0.1	0.0
EUR/RSD	116.83	0.0	0.0
EUR/USD	1.05	-0.6	-0.5

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.91	-1	-2
HUF	6.50	0	0
PLN	5.85	0	0
RON	5.59	0	3
RSD	4.78	0	0
EUR	3.01	0	0

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.95	-2	-4
HU 10Y	6.54	2	-8
PL 10Y	5.52	0	-14
RO 10Y	7.10	-1	10
HR 10Y	3.23	1	3
SK 10Y	3.22	-3	-6

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