

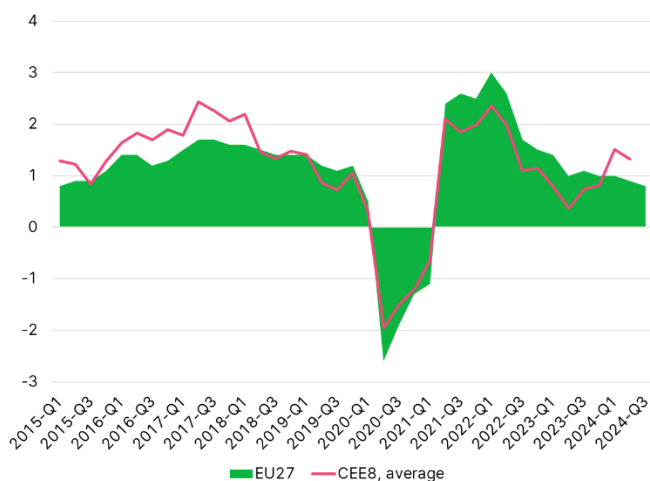
CEE MACRO AND FI DAILY

Croatia and Romania carry employment growth in CEE

On the Radar

- Real retail sales in Poland increased by 1.3% y/y in October.
- At 9 AM CET, Slovakia published producer prices growth for October.
- At 10 AM CET, Poland will release unemployment data.
- Croatia will publish 3Q24 GDP data together with the structure at 11 AM CET.

Employment growth, y/y percent

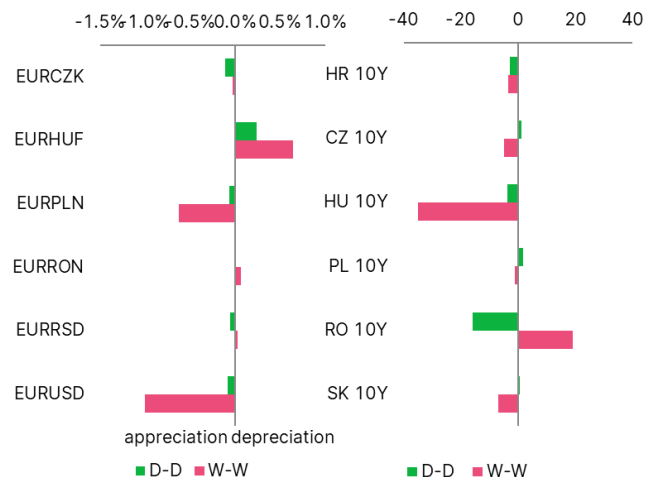


Source: Erste Group Research

Economic developments

Today, we look at employment data in the EU and the region. In annual terms, employment has been growing continuously, yet the pace of growth has been slowing in the EU in a constant manner over the last two years. In the EU employment increased by 0.8% y/y in the third quarter down from 0.9% in the previous quarter and 1.0% at the beginning of 2024. In the region, on the other hand, we have seen employment growth (CEE8 average) accelerating since mid-2023 when the employment growth bottomed out at 0.4%. Such development is driven by Croatia and Romania, where employment growth has been particularly strong in recent quarters. In Croatia it reached 6.5% in the first half of 2024. On the other hand, Poland and Slovakia have experienced employment contracting over last couple of quarters. Recent quite disappointing data on economic performance across the region suggest that employment growth is likely to slow down.

Market performance



Source: Erste Group Research

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Market developments

Romania's public deficit reached 6.9% of GDP for the period January-October 2024. European Commission approved an extension for fiscal consolidation to seven years for Romania. The tax reform plan is required by April 1, 2025. In Romania we have seen some signs of stabilization on the bond market as long-term yields went down toward 7.2% over the course of Tuesday. A member of the Board of Director of the National Bank of Romania attributed the rise in interest rates to increased political uncertainty. In other countries yields have been declining since the beginning of the week. As for the FX market, the CEE currencies kept strengthening against the euro.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
27. Nov	09:00	SK	PPI (y/y)	Oct			-8.50%
	10:00	PL	Unemployment Rate	Oct			5.00%
	11:00	HR	GDP (y/y)	3Q		4.00%	3.54%
28. Nov	10:00	PL	GDP (y/y)	3Q F			2.70%
	10:30	SI	Retail Sales (y/y)	Oct		0.00%	-3.00%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.25	-0.1	0.0
EUR/HUF	410.03	0.2	0.6
EUR/PLN	4.30	-0.1	-0.6
EUR/RON	4.97	0.0	0.1
EUR/RSD	116.82	-0.1	0.0
EUR/USD	1.05	-0.1	-1.0

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.89	0	-3
HUF	6.50	0	0
PLN	5.85	0	0
RON	5.87	6	28
RSD	4.73	0	-5
EUR	2.90	-9	-12

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.91	1	-5
HU 10Y	6.17	-4	-35
PL 10Y	5.56	2	-1
RO 10Y	7.23	-16	19
HR 10Y	3.19	-3	-3
SK 10Y	3.13	1	-7

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