

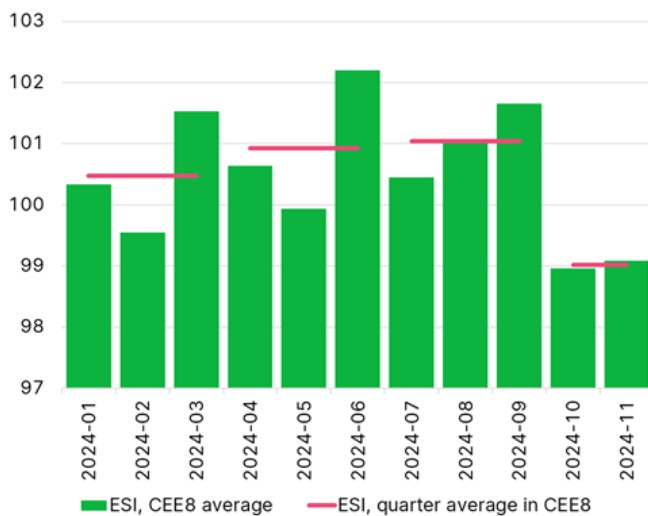
CEE MACRO AND FI DAILY

The weakest Economic Sentiment this year

On the Radar

- 3Q24 GDP in Poland was confirmed at 2.7%. The structure came as a surprise with inventories driving the growth and rather muted private consumption and investment performance.
- In Slovenia, retail sales declined by -0.9% y/y in October.
- Unemployment rate in Hungary remained at 4.5% in October, while producer prices grew 1.0% y/y
- In Czechia, the 3Q24 GDP was confirmed at 1.3% y/y. GDP growth was mainly supported by higher final consumption expenditure. A change in gross capital formation had a negative effect.
- Flash November's inflation will be published in Poland (10 AM CET), in Slovenia (10.30 AM CET) and in Croatia (11 AM CET)
- Further, industrial output and retail sales growth will be released in Croatia (11 AM CET) and in Serbia (noon CET).

Economic Sentiment Indicator, balance

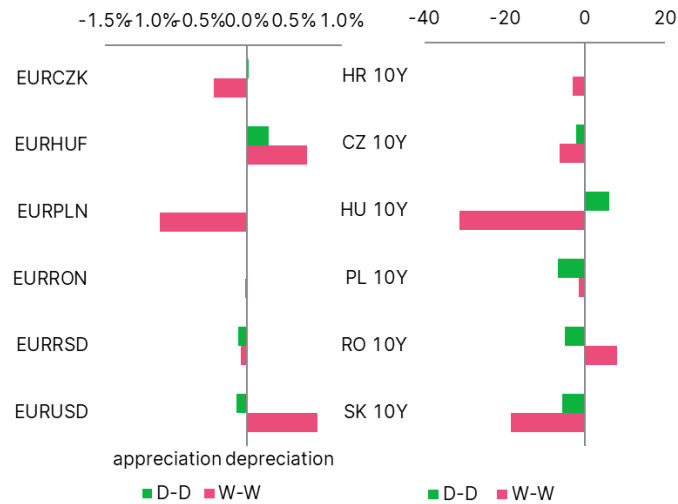


Source: Erste Group Research

Economic developments

Although the Economic Sentiment Indicator bounced back in November in most of the CEE countries, the sentiment at the end of the year is very subdued. In fact, in the last two months, it has been at the lowest level throughout the year. The number of risks and uncertainties has increased over the last two months, including the rising probability of trade tariffs being introduced in the first place and in the course of 2025, which will likely affect business decisions at this moment. If we look across the sectors, the sentiment in the industry weakened in several CEE countries, not only in November, but also compared to the beginning of the year. The retail sector enjoyed slightly higher confidence in most of the region. All in all, the development of the market sentiment suggests a slowdown of economic activity at the end of the year, bringing more clouds over 2025 outlook as well.

Market performance



Source: Erste Group Research

Market developments

Romanian Constitutional Court ruled the recount of all the 9.4 million votes casted in the first round of presidential elections. If the recount proves to be timely, it may result in delaying the presidential runoff vote beyond 8 December. In case, the recount changes the rankings of the candidates, based on the legislation, the first round of presidential elections should be re-run. Finance Minister Varga was nominated for the post of the central bank's governor. He should take over of the National Bank of Hungary as of March 2025. This week, the Hungarian forint has depreciated against the euro as opposed to the Czech koruna and the Polish zloty that have been stronger since the beginning of the week. On the bond market, we have seen long-term yields falling to a greatest extent in Hungary and Slovakia.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
29. Nov	10:00	PL	CPI (y/y)	Nov P		4.70%	5.00%
	10:30	SI	CPI (y/y)	Nov		1.00%	
	10:30	SI	CPI (m/m)	Nov			-0.50%
	11:00	HR	Industrial Production (y/y)	Oct		1.00%	1.00%
	11:00	HR	Retail Sales (y/y)	Oct		5.50%	7.11%
	11:00	HR	CPI (y/y)	Nov P		2.20%	2.20%
	12:00	RS	Industrial Production (y/y)	Oct		3.00%	4.60%
	12:00	RS	Retail Sales (y/y)	Oct		2.00%	3.10%
	12:00	RS	Trade Balance	Oct			-818.00

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.24	0.0	-0.4
EUR/HUF	413.51	0.2	0.6
EUR/PLN	4.30	0.0	-0.9
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.75	-0.1	-0.1
EUR/USD	1.06	-0.1	0.7

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.89	0	-2
HUF	6.50	0	0
PLN	5.85	0	0
RON	5.92	1	33
RSD	4.71	0	-7
EUR	2.94	3	-7

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.89	-2	-6
HU 10Y	6.22	6	-31
PL 10Y	5.51	-7	-2
RO 10Y	7.18	-5	8
HR 10Y	3.20	0	-3
SK 10Y	3.03	-6	-18

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