

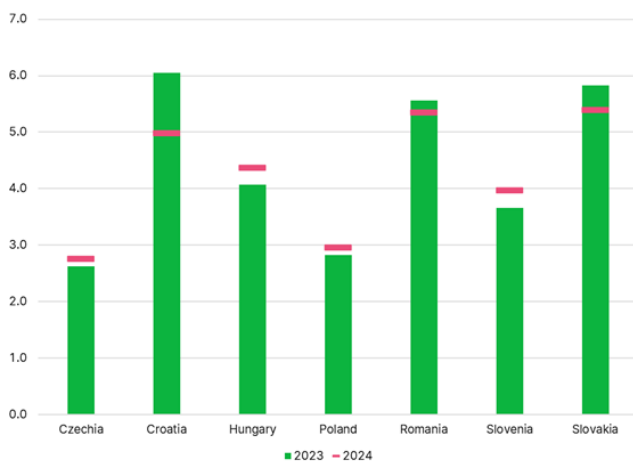
CEE MACRO AND FI DAILY

Tight labor market to continue in 2025

On the Radar

- Producer prices in Romania in November decline by 0.4% y/y.
- Industrial output growth in Hungary in November declined by 2.9% y/y (working day adjusted) and retail sales were up by 4.1% y/y.
- In Czechia industrial output decreased by 2.7% y/y and unemployment slightly increased to 4.1%.
- In Slovakia retail sales grew by 5% y/y and industrial production stagnated at 0.1% y/y.
- In Croatia trade data will be released at 11 AM CET

Unemployment rate, percent

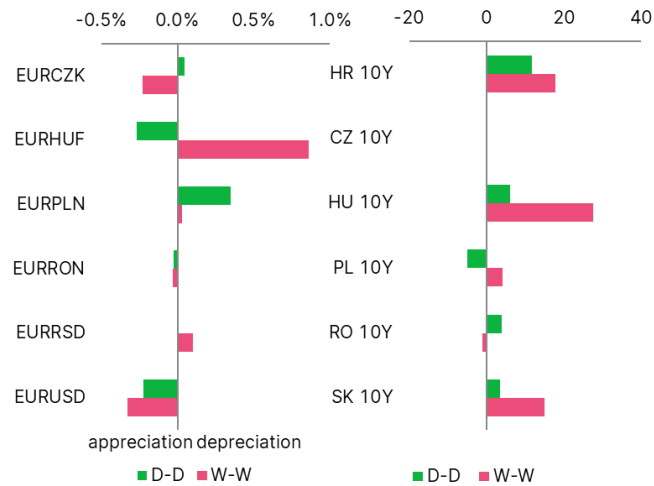


Source: Erste Group Research

Economic developments

It seems that unemployment rate ticked up in several countries in 2024. The average unemployment rate between January and November 2024 is slightly higher in Czechia, Hungary, Poland and Slovenia when compared to 2023. While in Czechia and Hungary the economic growth was rather moderate, in Poland 2024 GDP growth around 3% is close to the economic potential. The unemployment rate increases are not substantial, however. Moreover, Czechia still had the lowest unemployment rate in the whole European Union in November 2024 (2.8%), followed by Poland, where unemployment rate was at 3% in November 2024 according to LFS data (in local metrics unemployment rate was at 5%). In Croatia, Romania and Slovakia, unemployment rates went further down. In Croatia the decline is most substantial (roughly 1 percentage point) with economy outperforming the peers. All in all, we keep seeing the labor market as very tight and do not expect unemployment rate to go visibly higher in 2025.

Market performance



Source: Erste Group Research

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Market developments

Long-end of the curve shifted more visibly up in Hungary and Romania as week-to-date increases reached as much as 14 and 11 basis points, respectively. In other CEE countries changes on the bond market (either way) have been rather marginal this week. In Romania, the new government announced that the presidential elections will be held in May (first round is scheduled for May 4 and run-off for May 18). Poland will also vote for President on May 18 and June 1. On the FX market EURHUF was at 415 on Wednesday, while EURPLN moved up to 4.27.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
09. Jan	08:00	RO	PPI (y/y)	Nov			-3.27%
	08:30	HU	Industrial Production (y/y)	Nov		-1.30%	-3.10%
	08:30	HU	Retail Sales (y/y)	Nov		4.10%	3.60%
	09:00	CZ	Industrial Production (y/y)	Nov		-0.40%	-2.10%
	09:00	SK	Industrial Production (y/y)	Nov		2.30%	1.90%
	09:00	SK	Retail Sales (y/y)	Nov		2.00%	0.05
	09:00	SK	Trade Balance	Nov		-120.00	391.70
10. Jan	08:00	RO	Retail Sales (y/y)	Nov		9.40%	10.60%
	08:00	RO	Trade Balance	Nov			-3724.60
	08:00	RO	GDP (q/q)	3Q F	-0.10%	0.00%	-0.08%
	08:00	RO	GDP (y/y)	3Q F	1.10%	1.10%	1.05%
	10:30	SI	Industrial Production (y/y)	Nov		3.00%	3.50%
	12:00	RS	Central Bank Rate	Jan 25		5.75%	5.75%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.11	0.0	-0.2
EUR/HUF	414.12	-0.3	0.9
EUR/PLN	4.27	0.4	0.0
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.92	0.0	0.1
EUR/USD	1.03	-0.2	-0.3

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.92	0	0
HUF	6.50	0	0
PLN	5.84	0	0
RON	5.91	-1	-1
RSD	4.69	-1	-1
EUR	2.78	0	7

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.14	0	0
HU 10Y	6.83	6	28
PL 10Y	5.91	-5	4
RO 10Y	7.33	4	-1
HR 10Y	3.12	12	18
SK 10Y	3.35	3	15

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Published by:

Erste Group Bank AG
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1100 Vienna, Austria, Am Belvedere 1
Head Office: Wien
Commercial Register No: FN 33209m
Commercial Court of Vienna

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