CEE MACRO AND FI DAILY

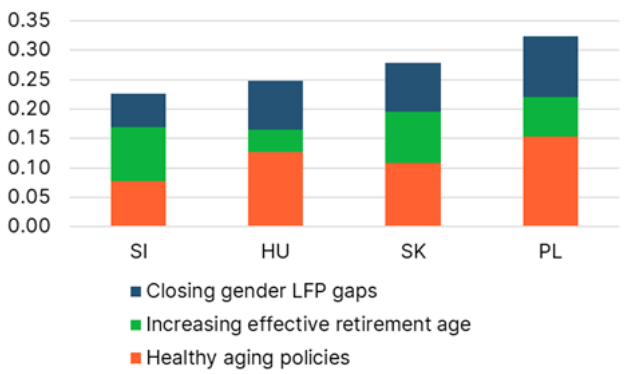
IMF recommends policies against labour force ageing

On the Radar

- Today at 10 am, Poland will release March data for industrial production, wage growth and PPI.
- At 11 am, Croatia publishes unemployment rate for March and wage growth for April.
- Slovakia will also release unemployment rate for March later today.

Economic developments

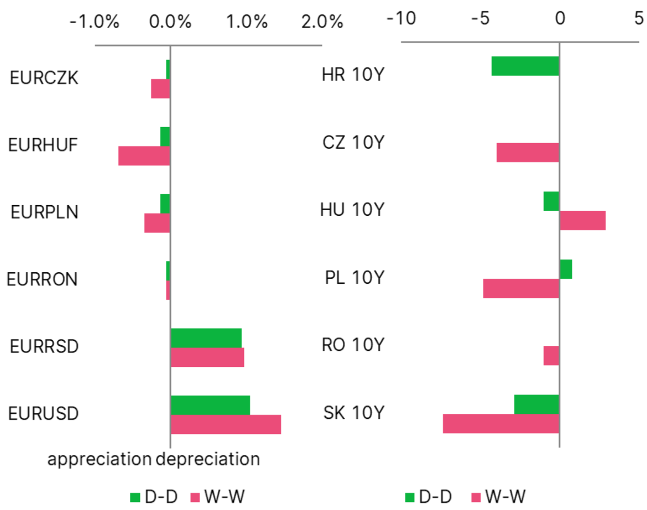
Average Impact of Labor Supply Policies on GDP Growth over 2025–2100



Source: IMF, Erste Group Research

Today, the IMF will publish its World Economic Outlook, including the latest analyses and projections of the world economy. Two chapters from the WEO have already been made available – one on migration and the other on ageing. According to the IMF, there are three key policy levers that may partially mitigate the adverse economic impact of population ageing: targeted health policies to enable older workers to increase their participation rates, a higher effective retirement age (not necessarily or exclusively related to rising statutory retirement age), and closing labour force participation gaps between genders. Combining these three labour supply policy levers could increase annual average GDP growth by about 0.3 percentage points over 2025–2100 compared to the baseline scenario in selected CEE countries, according to IMF calculations.

Market performance



Source: Erste Group Research

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Market developments

CEE currencies slightly appreciated at the end of last week, supported by the ECB's rate cut and a weakening dollar. The EURCZK moved to the 25 level, while EURHUF and EURPLN fell back below 407.5 and 4.27, respectively. Recent verbal attacks by President Trump directed at the FED Chairman have not helped the dollar, as investors are concerned about the potential jeopardy to the FED's independence. Today, the Slovak debt agency will reopen four bonds, and Hungary will sell T-bills.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
22. Apr		**SK**	Unemployment Rate	Mar			4.93%
	10:00	**PL**	Industrial Production (y/y)	Mar			-2.00%
	10:00	**PL**	PPI (y/y)	Mar			-1.30%
	10:00	**PL**	Wages (y/y)	Mar			7.90%
	11:00	**HR**	Unemployment Rate	Mar		5.10%	5.40%
	11:00	**HR**	Wages (y/y)	Feb			9.20%
23. Apr	**10:00**	**PL**	Retail Sales (y/y)	Mar			0.60%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.99	-0.1	-0.3
EUR/HUF	406.96	-0.1	-0.7
EUR/PLN	4.26	-0.1	-0.3
EUR/RON	4.97	-0.1	-0.1
EUR/RSD	118.20	0.9	1.0
EUR/USD	1.15	1.1	1.5

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.68	1	0
HUF	6.50	0	0
PLN	5.49	-5	-9
RON	5.89	0	-1
RSD	4.68	0	0
EUR	2.18	-5	-8

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.04	0	-4
HU 10Y	7.09	-1	3
PL 10Y	5.14	1	-5
RO 10Y	7.36	0	-1
HR 10Y	3.09	-4	0
SK 10Y	3.46	-3	-7

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