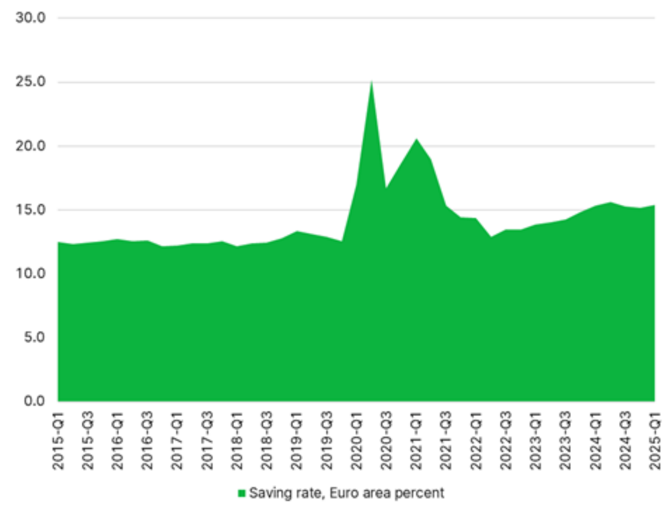
CEE MACRO AND FI DAILY

Savings rate still above the pre-pandemic period

On the Radar

- May's retails sales growth releases were published in Romania (+2.7% y/y), in Hungary (+2.1% y/y) and in Slovakia (-1.8% y/y).
- Industrial output growth in Czechia was released at +2.2% y/y and trade data showed a surplus of CZK 13.3bn.
- At noon CET, Serbia releases producer prices growth in June.

Saving rate in Eurozone, percent

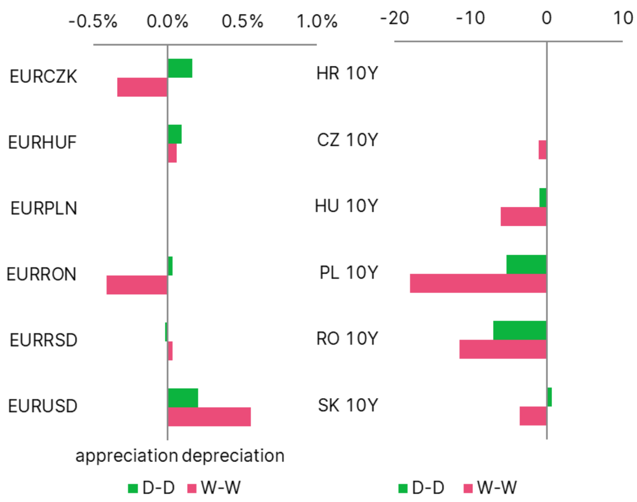


Source: Erste Group Research

Economic developments

The household saving rate in the euro area was at 15.4% in the 1Q25 (0.2 percentage points higher than in the fourth quarter of 2024), which is explained by the consumption increasing at a slower rate than gross disposable income (respectively +0.6% and +0.8%). The saving rate thus remains at a relatively high level. As for the CEE region, only Czechia, Hungary and Poland have data available within these statistics. In Czechia, the saving rate is permanently above the Eurozone by roughly 3 percentage points since the pandemic (most recent statistics was at 18% in 4Q24). In Hungary, we see the same situation i.e. saving rate above the Eurozone yet slightly lower compared to Czechia (17.3% in 4Q24). In Poland developments are quite different, however. The saving rate reached 10.6% in 4Q25 but it has been constantly increasing since 2022 and the inflation shock when saving rate in Poland reached the bottom of 1% on average in 2022. The overall tendency to save slows down growth of private consumption and impacts the pace of overall economic development.

Market performance



Source: Erste Group Research

Market developments

The EURHUF is at 398 and EURPLN at 4.24. The Czech koruna and the Romanian leu strengthened the most last week. EURCZK opens this week at 24.64 while EURRON at 5.05. On the bond market we have seen yields falling last week, most notably in Romania and in Poland. In both countries local developments support a lower level of 10Y yields. In Romania it was announcement of quite substantial fiscal consolidation package that was passed by the government. In Poland, it was central bank decision to lower key interest rate due to lower expected inflation and adjustments in the outlook accordingly. In Czechia central bank's minutes show the growing cautiousness among policy makers about further interest rate cuts as inflation risks have increased lately.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
07. Jul	**08:00**	**RO**	Retail Sales (y/y)	May		2.60%	3.10%
	08:30	**HU**	Retail Sales (y/y)	May		3.60%	5.00%
	09:00	**CZ**	Industrial Production (y/y)	May			2.00%
	09:00	**CZ**	Trade Balance	May		22.80	16.30
	09:00	**SK**	Retail Sales (y/y)	May		-1.50%	-0.40%
	12:00	**RS**	PPI (y/y)	Jun			0.50%
08. Jul		**RO**	Central Bank Rate	Jul 25		6.50%	6.50%
	08:30	**HU**	CPI (y/y)	Jun			4.40%
	08:30	**HU**	CPI (m/m)	Jun			0.20%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.63	0.2	-0.3
EUR/HUF	398.89	0.1	0.1
EUR/PLN	4.24	0.0	0.0
EUR/RON	5.06	0.0	-0.4
EUR/RSD	117.04	0.0	0.0
EUR/USD	1.18	0.2	0.6

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.49	-1	-1
HUF	6.50	0	0
PLN	5.07	-2	-17
RON	6.99	-5	-10
RSD	4.68	0	0
EUR	1.98	4	4

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.21	0	-1
HU 10Y	6.99	-1	-6
PL 10Y	5.22	-5	-18
RO 10Y	7.26	-7	-12
HR 10Y	3.10	0	0
SK 10Y	3.37	1	-4

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