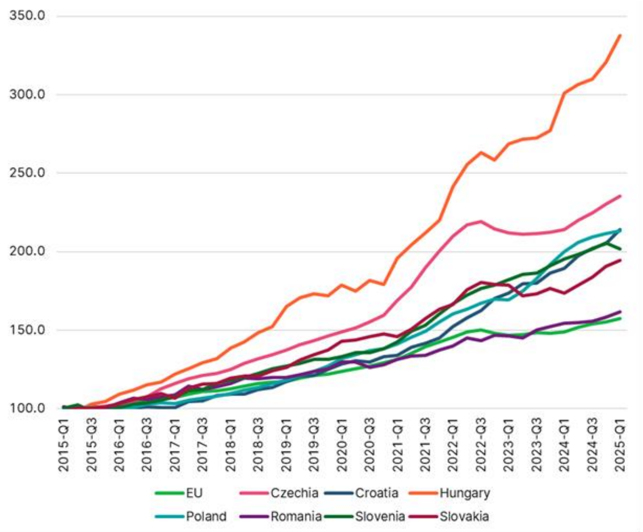
CEE MACRO AND FI DAILY

House prices back to strong growth in CEE

On the Radar

- At 9 AM CET Slovakia will publish average monthly wage in industry in May.
- At 10 AM CET Czechia will release current account data.
- Poland will publish current account as well as trade data at 2 PM CET.
- Romania will also release year-to-date current account performance during the day.

House Price Index (2015=100)

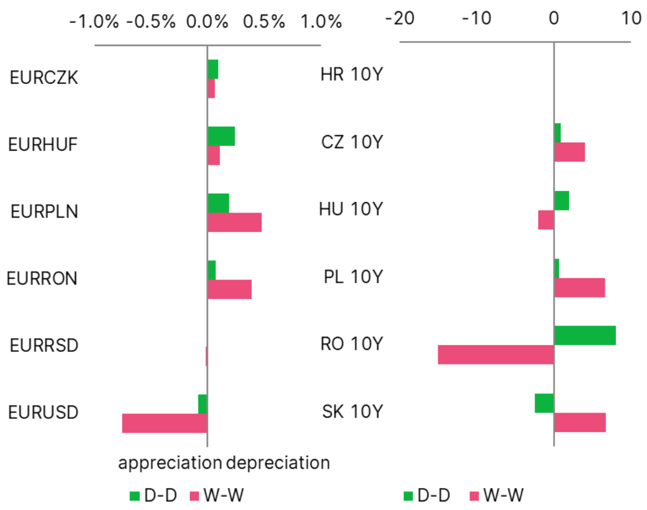


Source: Erste Group Research

Economic developments

Today we look at the house price developments in the EU and in the region. In the first quarter of 2025, house prices in the EU rose by 5.7%, while rents increased by 3.2% compared with the first quarter of 2024. Further, compared with the fourth quarter of 2024, house prices increased by 1.4% and rents by 0.9%. In the region (CEE7 excluding Serbia) house prices grew by 8.8% y/y on average in Q1 but within the region house prices growth was quite diversified. In Czechia, Croatia, Hungary and Slovakia growth dynamics was close to 10% or above at the beginning of 2025. In Poland, Romania and Slovenia it ranged between 3.2% (Slovenia) and 6.6% (Poland) growth. Looking from broader perspective, the house prices roughly doubled in Slovakia, Slovenia, Poland, Croatia and Czechia (house price index 2015=100 close to 200 or slightly above in 1Q2025). Only in Romania the overall price increase was lower, at ~ 60% in ten years. On the other hand, Hungary is an outlier as over last decade house prices more than tripled.

Market performance



Source: Erste Group Research

Market developments

The FX market in the region was relatively stable throughout the week. On the bond market, long-term yields in Romania continued to decline, while in other CEE countries, bond market performance was mixed. Romania keeps benefiting from credible fiscal package. Although Romania's Premier admitted the budget deficit will be closer to 8% of GDP instead of 7%. Today in the afternoon, Romania will hold a no-confidence vote that was initiated by the opposition and we see the probability of being passed as very low. This week, there are no major events scheduled in the region thus FX and bond market development will likely remain under global influence. Lastly, Polish parliamentary committee will resume its work on a probe into the conduct of Central Bank Governor Adam Glapinski, according to the calendar on the legislative website.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
14. Jul		**RO**	Current Account Balance (monthly)	May			-10103.00
	09:00	**SK**	Wages (y/y)	May			5.40%
	14:00	**PL**	Trade Balance	May	-1371.6		-941.00
15. Jul	**08:00**	**RO**	Industrial Production (y/y)	May		3.60%	-2.40%
	09:00	**SK**	CPI (y/y)	Jun		4.40%	4.10%
	09:00	**SK**	CPI (m/m)	Jun		0.30%	0.50%
	10:00	**PL**	CPI (y/y)	Jun F			4.10%
	10:00	**PL**	CPI (m/m)	Jun F			0.10%
	11:00	**HR**	CPI (y/y)	Jun F			3.70%
	11:00	**HR**	CPI (m/m)	Jun F			0.30%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.64	0.1	0.1
EUR/HUF	399.32	0.2	0.1
EUR/PLN	4.26	0.2	0.5
EUR/RON	5.08	0.1	0.4
EUR/RSD	117.02	0.0	0.0
EUR/USD	1.17	-0.1	-0.8

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.49	0	0
HUF	6.50	0	0
PLN	5.03	0	-4
RON	6.75	0	-24
RSD	4.68	0	0
EUR	2.03	2	5

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.25	1	4
HU 10Y	6.97	2	-2
PL 10Y	5.29	1	7
RO 10Y	7.11	8	-15
HR 10Y	3.10	0	0
SK 10Y	3.43	-2	7

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