

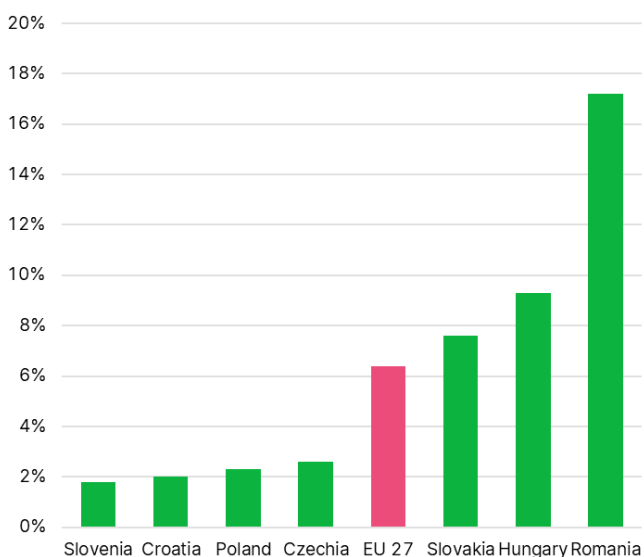
CEE MACRO AND FI DAILY

Slovenia, Croatia and Poland with the lowest deprivation rates in the EU

On the Radar

- At 9:00 CET, Czechia will release PPI inflation for August.
- At 9:00, Slovakia publishes August's CPI inflation.

Material and social deprivation, % of population

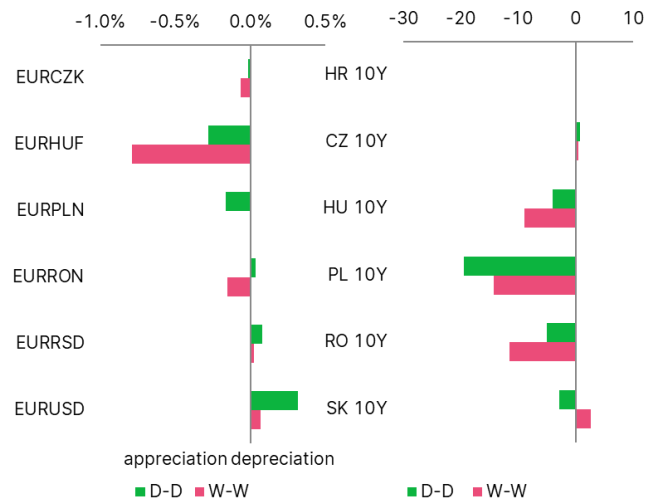


Source: Erste Group Research

Economic developments

Today, we look at the rate of severe material and social deprivation across the CEE region. To clarify, material and social deprivation refers to the inability to afford a set of essential goods, services, and social activities that are widely regarded as necessary for maintaining an adequate standard of living. Among CEE countries, Slovenia stands out with the lowest deprivation rate, not only within the region but across the entire European Union, at just 1.8% of the population. Croatia follows closely with a rate of 2.0%, while Poland reports an equally impressive figure of 2.3%, placing it in joint third position in the EU alongside Luxembourg. Czechia also ranks highly, with a deprivation rate of 2.5%. Beyond these top performers, a significant gap emerges, including the EU average. Slovakia records a rate of 7.6%, followed by Hungary at 9.3%. At the other end of the spectrum, Romania reports the highest rate of material and social deprivation in the EU, with 17.2% of its population affected. This figure surpasses Bulgaria (16.6%) and Greece (14.0%), which also face considerable challenges in this area.

Market performance



Source: Erste Group Research

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Market developments

Markets remain focused on this week's Federal Reserve decision, where a rate cut is widely anticipated. In recent weeks, investors have increasingly priced in the possibility of more than two rate cuts this year, contributing to the dollar's decline. CEE currencies have benefited from the dollar's weakness. Yesterday, the Hungarian forint strengthened below EURHUF 390, marking its strongest level since last summer. The Czech koruna tested the EURCZK 24.3 level, last seen in December 2023. CEE government bond yields also edged lower, following the downward move in Eurozone yields. Romania reopened its 2029 and 2033 ROMGBs yesterday, raising RON 429 million and RON 598 million, respectively. The average yield edged up to 7.5%, slightly higher than in the previous reopenings of these bonds.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
16. Sep	09:00	CZ	PPI (y/y)	Aug	-0.83%	-0.90%	-1.20%
	09:00	SK	CPI (y/y)	Aug		4.20%	4.40%
	09:00	SK	CPI (m/m)	Aug		0.10%	0.30%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.31	0.0	-0.1
EUR/HUF	389.48	-0.3	-0.8
EUR/PLN	4.24	-0.2	0.0
EUR/RON	5.06	0.0	-0.2
EUR/RSD	117.07	0.1	0.0
EUR/USD	1.18	0.3	0.1

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.48	0	0
HUF	6.50	0	0
PLN	4.73	-1	-2
RON	6.55	1	1
RSD	4.68	0	0
EUR	2.03	3	0

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.33	1	1
HU 10Y	6.99	-4	-9
PL 10Y	5.27	-20	-14
RO 10Y	7.40	-5	-12
HR 10Y	3.02	0	0
SK 10Y	3.46	-3	3

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