

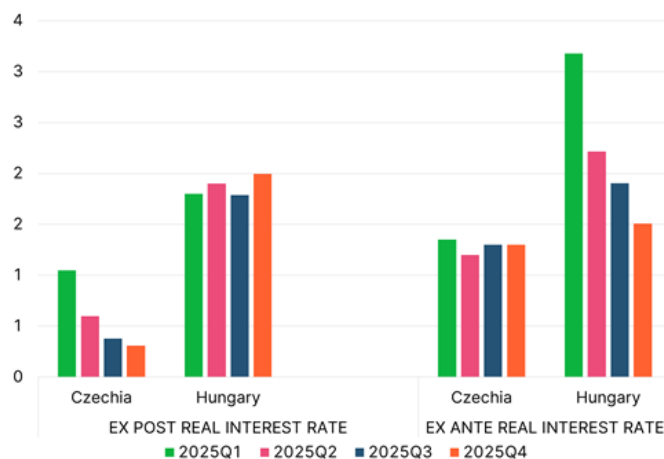
CEE MACRO AND FI DAILY

Czechia with lower real interest rates than Hungary

On the Radar

- Retail sales in Poland grew by 3.1% y/y in August in real terms.
- In Slovenia average real wage increased by 2.9% y/y in July.
- Unemployment rate in Slovakia was at 4.9% in August.
- Today, at 10 AM CET, Poland will release unemployment rate.
- Hungarian central bank will announce interest rate decision at 2 PM CET. No change is expected.

Real interest rate in Czechia and Hungary

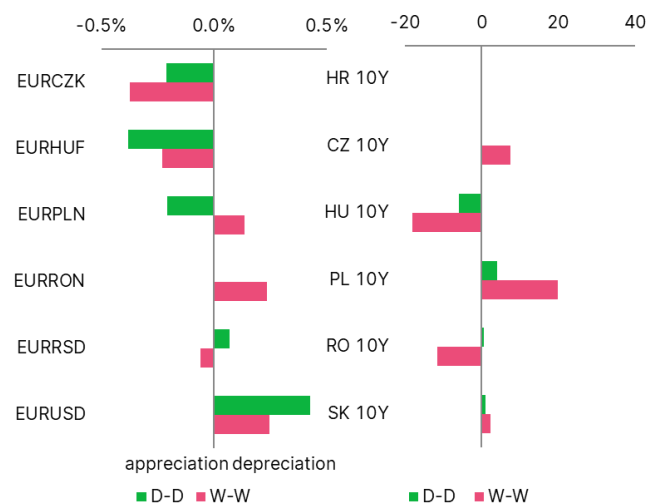


Source: Erste Group Research

Economic developments

Ahead of central banks' meetings in Hungary (today) and Czechia (Wednesday), we look at the real interest rate in both countries. Today we zoom in on ex-post real interest rate (i.e. current key policy rate adjusted for inflation) and ex-ante real interest rate (i.e. current key policy rate adjusted for expected inflation in one year). The real interest rate is higher for Hungary in both ex-post and ex-ante terms, on average the difference is around 1 percentage point. Further, in Hungary, ex-post rates have been stable this year, while ex-ante diminished mostly due to easing inflation. In Czechia, ex-post real interest rate has been decaying throughout 2025 while ex-ante real interest rate has been stable. The lower real interest rate in Czechia may also be considered a growth-positive impulse, among other factors. The monetary easing cycle, which was disrupted in Hungary due to volatility on the FX market, puts Czechia in more favorable positions as far as economic recovery is concerned. On the top of that, in Hungary, many subsidized lending programs offering lower rates for both households and corporates may weaken the monetary transmission compared to other CEE countries. On the other hand, in Czechia, the monetary transmission mechanism may be affected by increased borrowing in foreign currency by companies.

Market performance



Source: Erste Group Research

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Market developments

The CEE currencies strengthened on Monday. In Czechia and Hungary, the perspective of interest rates stability for a longer period of time supports lower levels of EURCZK and EURHUF. Today, Hungarian central bank will announce interest rate decision in early afternoon, and we expect no change. On the bond market we have seen long-term yield declining across the region. Romania sold RON 533.3 million of government papers maturing in 2031 that were priced to yield 7.4%, The demand was solid with bid-to-cover ratio at 2.24. There are no other market related news.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
23. Sep	10:00	PL	Unemployment Rate	Aug	5.48%		5.40%
	14:00	HU	Central Bank Rate	Sep 23	6.50%	6.50%	6.50%
24. Sep	14:30	CZ	Central Bank Rate	Sep 24	3.50%	3.50%	3.50%
25. Sep		HU	Unemployment Rate	Aug		4.30%	4.30%
	08:30	HU	Current Account Balance (quarterly)	2Q	883.30	800.00	1141.20
	12:00	RS	Wages (y/y)	Jul			6.90%
26. Sep	09:00	SK	PPI (y/y)	Aug			

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.21	-0.2	-0.4
EUR/HUF	388.58	-0.4	-0.2
EUR/PLN	4.25	-0.2	0.1
EUR/RON	5.07	0.0	0.2
EUR/RSD	117.00	0.1	-0.1
EUR/USD	1.18	0.4	0.2

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.50	0	2
HUF	6.50	0	0
PLN	4.74	1	1
RON	6.54	0	-1
RSD	4.68	0	0
EUR	2.00	-1	-3

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.41	0	7
HU 10Y	6.81	-6	-18
PL 10Y	5.47	4	20
RO 10Y	7.28	0	-11
HR 10Y	3.02	0	0
SK 10Y	3.49	1	2

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