

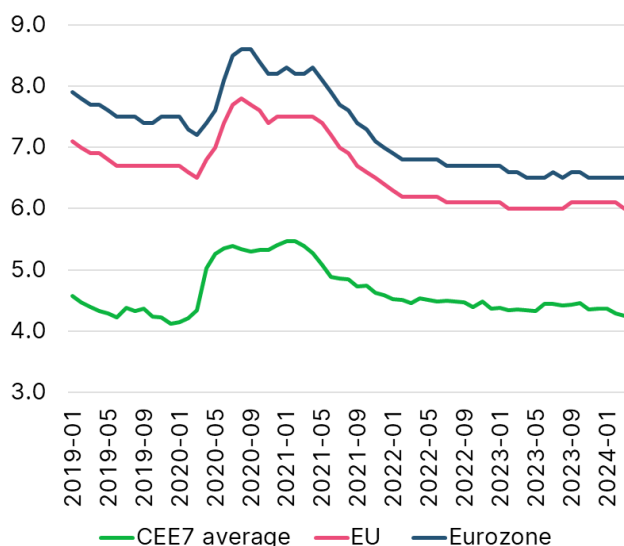
CEE MACRO AND FI DAILY

Unemployment to remain low

On the Radar

- In Romania producer prices declined by -7.6% y/y in March. Unemployment rate dropped to 5.3% in March.
- In Hungary, retail sales grew by 4.2% y/y in March, beating market expectations by a great margin.
- In Slovakia, retail sector grew moderately in March (-0.5% y/y).
- In Czechia, industrial output (NSA) dived (-11.1% y/y in March), while trade surplus increased to CZK 39.3 billion.
- There are no other releases scheduled for today.

Unemployment rates (%)

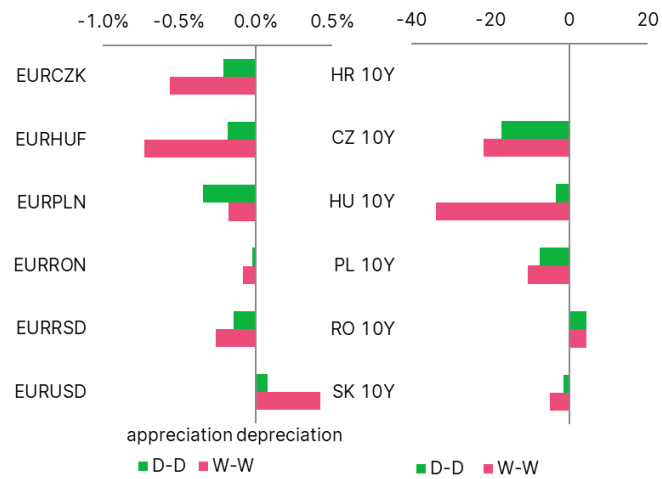


Source: Erste Group Research

Economic developments

In the aftermath of the recent inflation shock that resulted in tight monetary conditions and economic slowdown across Europe and in the CEE region, the labor market remained “untouched”. In other words, despite weak economic developments the unemployment rates did not increase. On the contrary, they have been falling lately and remain close to historically low levels in the region. In March 2024, Czechia and Poland had the lowest unemployment rate (2.9%) in the whole European Union. All other CEE countries have unemployment rate below the EU average as well. As economic recovery seems to be on the way, we expect labor market to remain tight.

Market performance



Source: Erste Group Research

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Market developments

EURCZK, EURHUF and EURPLN continued to move down on Monday, while on the bond market we have seen mixed performance since the beginning of the week with yields in Eurozone countries declining. Ursula von der Leyen announced the end of Article 7 procedure for Poland as European Commission no longer considers that there is a risk for serious breach of rule of law in Poland. Otherwise, there are no other market relevant news.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
07. May		CZ	Industrial Production (y/y)	Mar		0.10%	0.70%
		CZ	Trade Balance	Mar		1470.00%	16.30
	08:00	RO	Unemployment Rate	Mar			5.60%
	08:00	RO	PPI (y/y)	Mar			-6.30%
	08:30	HU	Retail Sales (y/y)	Mar		0.50%	1.10%
	09:00	SK	Retail Sales (y/y)	Mar		3.00%	5.30%
08. May	08:00	RO	Retail Sales (y/y)	Mar		5.20%	7.10%
	08:30	HU	Industrial Production (y/y)	Mar		0.20%	1.40%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.97	-0.2	-0.6
EUR/HUF	388.22	-0.2	-0.7
EUR/PLN	4.30	-0.3	-0.2
EUR/RON	4.97	0.0	-0.1
EUR/RSD	116.68	-0.1	-0.3
EUR/USD	1.08	0.1	0.4

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	5.18	-1	-35
HUF	7.44	-3	-6
PLN	5.86	0	0
RON	6.05	0	0
RSD	5.69	0	-1
EUR	3.82	0	-1

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.06	-17	-22
HU 10Y	6.85	-3	-34
PL 10Y	5.59	-7	-10
RO 10Y	6.90	4	4
HR 10Y	3.25	0	0
SK 10Y	3.49	-1	-5

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