

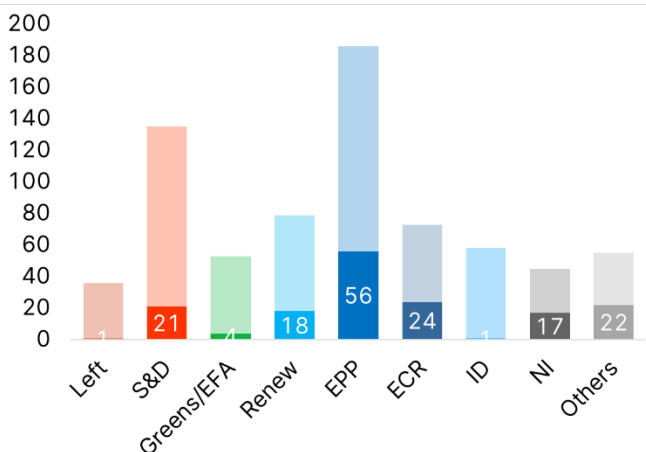
CEE MACRO AND FI DAILY

Centre-right EPP secures the most seats in CEE

On the Radar

- Industrial production grew 7.5% in Slovenia in April.
- Year-to-date budget balance in Hungary narrowed to HUF 2.549 trillion.
- At 9 AM CET Czechia will publish inflation rate for May.
- There are no other releases scheduled for Tuesday.

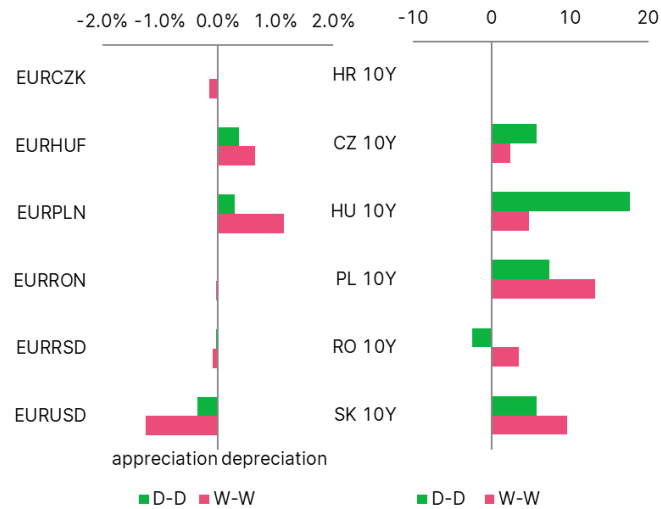
Distribution of seats from CEE countries by the fraction in the European Parliament



Source: Erste Group Research

Provisional results of European elections (data as of June 11, 2024 as presented at [European elections 2024 website](#) at 7 AM CET) show that CEE countries will have 56 seats in the Group of the European People's Party (EPP), followed by 24 seats in the European Conservatives and Reformists Group (ECR) and 21 seats in the S&S and 18 seats in the Renew Europe Group. There is also a relatively large group of MPs from the region that are non-attached members (NI) or are newly elected and not allied to any political groups set up in the outgoing Parliament (Others). We note that the final division may slightly differ. Very interesting development could have been observed on local political scenes in Hungary and Slovakia. In Hungary, Peter Magyar (former Fidesz member and recently rising star of opposition) and his Tisza party received almost 30% of the votes. Fidesz remained first with roughly 45%, but the result was much lower than polls had predicted and the worst ever. In Slovakia, Progresivne Slovensko (PS) secured almost 28% of votes, while the ruling party Smer was the second. In Poland, Koalicja Obywatelska won the race gaining 37% of votes. Surprisingly, the right-wing party Konfederacja secured a third result collecting 12% of votes.

Market performance



Source: Erste Group Research

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Market developments

The CEE currencies depreciated against the euro on Monday, following European election results. In particular we attribute the weakening to the uncertainty regarding the snap elections in France that President Macron announced after very strong result of far-right party of Marie Le Pen. The long-term yields have also moved up. On Monday, Romania sold RON 797 million of 2026 papers and RON 300 million of 2039 papers. The demand was strong, and the amount sold was above plan. Polish Prime Minister Domanski said he expects EU infringement procedure over last year budget deficit. As Poland has high military spending, he hopes that EU demands for budget cuts will be lenient.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
11. Jun	09:00	CZ	CPI (y/y)	May	2.70%	2.60%	2.90%
	09:00	CZ	CPI (m/m)	May	0.17%	0.10%	0.70%
12. Jun	08:00	RO	CPI (y/y)	May	5.53%	5.50%	5.90%
	08:00	RO	CPI (m/m)	May		0.30%	0.08%
	08:00	RO	Wages (y/y)	Apr			13.86%
	12:00	RS	CPI (y/y)	May		4.50%	5.00%
	12:00	RS	CPI (m/m)	May			0.70%
		RO	Current Account Balance (monthly)	Apr			-3945.00

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.62	0.0	-0.1
EUR/HUF	392.53	0.4	0.7
EUR/PLN	4.32	0.3	1.1
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.89	0.0	-0.1
EUR/USD	1.08	-0.4	-1.2

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	5.08	0	-2
HUF	6.92	-1	-6
PLN	5.85	0	0
RON	6.04	0	0
RSD	5.68	0	-1
EUR	3.74	-2	-4

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.24	6	2
HU 10Y	6.85	18	5
PL 10Y	5.75	7	13
RO 10Y	6.81	-3	4
HR 10Y	3.21	0	0
SK 10Y	3.65	6	10

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