

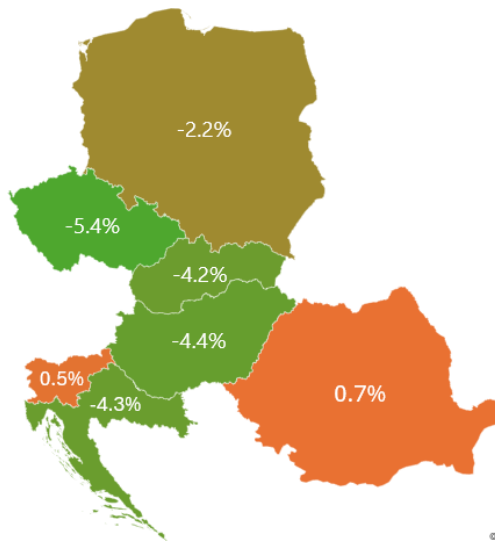
CEE MACRO AND FI DAILY

Greenhouse gas emissions have declined, partially due to weather

On the Radar

- Trade balance in Romania landed at EUR -2.95 billion in July.
- Unemployment rate in Czechia in August is scheduled for publishing at 9 AM CET.
- At 11 AM CET, Croatia will publish producer prices in August as well as year-to-date budget balance.
- On Tuesday morning, Czechia and Hungary will release August's inflation.

GHG emissions, y/y %



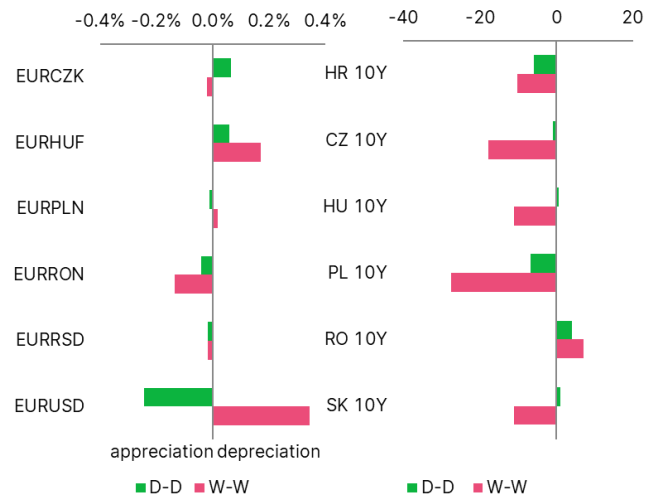
Source: Erste Group Research

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Economic developments

During the summer, Eurostat published data on greenhouse gas (GHG) emissions for the first quarter of 2024. At first glance, the annual decreases in emissions (measured in tons) appear promising. Among the CEE countries, Czechia demonstrated the most significant improvement with a reduction of 5.4%. Hungary, Slovakia, and Croatia followed, with declines ranging between 4.4% and 4.2%, all below the EU average of 4%. On the other hand, emissions increased in Romania and Slovenia. It is important to note that these figures are largely influenced by temperatures, which reached historical highs in some countries during Q1. When considering GHG emissions per capita, Poland leads the region with 2.6 tons, followed by Czechia with 2.3 tons. The remaining CEE countries have values below the EU average of 1.9 tons. There is still a lot of room for improvement in EU, which should be supported by the funds from the RepowerEU facility.

Market performance



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Market developments

The monthly jobs report published on Friday showed the pace of hiring in the US moderated over the last three months. Such development arrives ahead of the FOMC meeting scheduled for September 18. This week, the ECB is holding a rate setting meeting and another interest rate cut is broadly expected. Expectations for monetary easing on the major markets have left a mark on local bond market as we have seen considerable decline of long-term yields over last week, including Friday (overall 20 basis points in Czechia or 30 basis points in Poland). In Poland, the move was likely supported by comments from several MPC members who expressed their opinion that monetary easing could be debated and potentially start in mid-2025 in Poland, thus earlier than previously communicated. One of the MPC members, Kotecki, would see space for discussion on rate cuts in the first months of 2025. He sees inflation peaking at around 6% in the first quarter of 2025 and falling afterwards. The FX market was stable.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
09. Sep	08:00	RO	Trade Balance	Jul			-2778.80
	11:00	HR	PPI (y/y)	Aug			-3.00%
10. Sep	08:30	HU	CPI (y/y)	Aug	3.60%	3.70%	4.10%
	08:30	HU	CPI (m/m)	Aug	0.14%	0.20%	0.70%
	09:00	SK	Industrial Production (y/y)	Jul		5.00%	-3.40%
	09:00	CZ	CPI (y/y)	Aug	1.95%	1.90%	2.20%
	09:00	CZ	CPI (m/m)	Aug		0.00%	0.70%
	10:30	SI	Industrial Production (y/y)	Jul		0.50%	-0.60%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.01	0.1	0.0
EUR/HUF	393.20	0.1	0.2
EUR/PLN	4.28	0.0	0.0
EUR/RON	4.97	0.0	-0.1
EUR/RSD	116.89	0.0	0.0
EUR/USD	1.11	-0.2	0.3

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	4.33	-1	-3
HUF	6.50	0	-1
PLN	5.86	1	1
RON	5.55	0	-2
RSD	5.15	0	0
EUR	3.47	0	-2

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.69	-1	-18
HU 10Y	6.05	1	-11
PL 10Y	5.17	-7	-27
RO 10Y	6.73	4	7
HR 10Y	3.28	-6	-10
SK 10Y	3.25	1	-11

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