

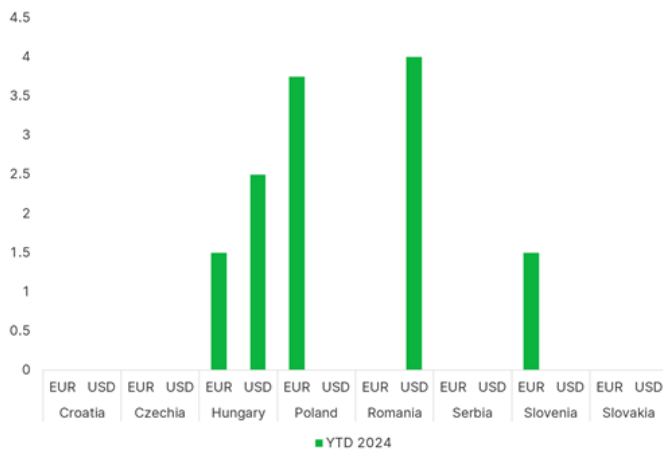
CEE MACRO AND FI DAILY

CEE tapping international bond market

On the Radar

- Romania is set to sell \$4 billion of 5Y and 10Y USD-denominated bonds.
- Today, unemployment rate will be published in Poland.

Year-to-date issuance of Eurobonds, EUR or USD billion

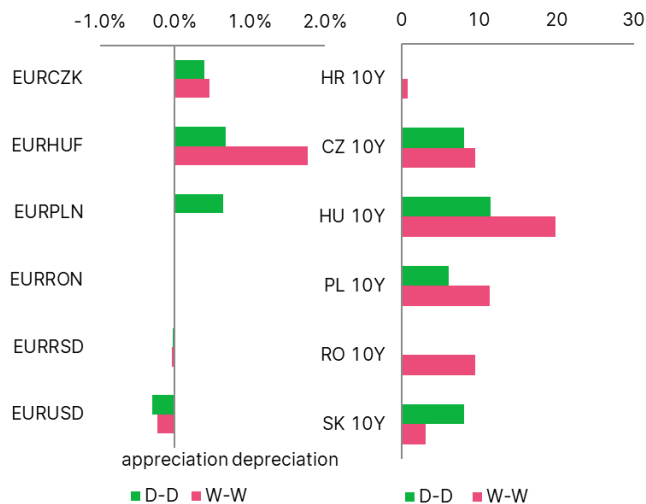


Source: Erste Group Research

Economic developments

On Tuesday, Romania tapped the international bond market selling USD 4 billion of government bonds maturing in 2029 and 2034. Amid very strong demand (the auction attracted USD 15.5 billion of orders), Romania managed to narrow the spreads by 30 basis points compared to the initial price talks so that at the end 5Y bond was priced at plus 195 basis points over Treasuries and 10Y bond was priced at plus 235 basis points. Prior to Romanian auction, Hungary borrowed USD 2.5bn and in addition EUR 1.5bn together with Slovenia (so far in 2024). Further, Poland conducted the highest foreign debt issuance (of EUR 3.75bn) in its history in early January. All in all, the CEE countries have issued EUR 6.8 billion bonds and USD 6.5 billion bonds this year.

Market performance



Source: Erste Group Research

Market developments

Since the beginning of the week, the CEE currencies have weakened. The EURHUF is as high as 386, and the Hungarian forint has lost roughly 1% against the euro by the middle of the week. Such weakening may be driven by the Economy Ministry plan to change the reference rate for the banks' loans. Instead of the reference rate, the yield on Treasury bills of the same tenor as loans has been proposed to be used. As for the bond market development, the long-term yields have moved slightly up across the region.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
24. Jan	10:00	PL	Unemployment Rate	Dec	5.10%		5.00%
25. Jan	12:00	RS	Wages (y/y)	Nov			6.10%
26. Jan		HU	Unemployment Rate	Dec			4.30%
	9:00	SK	PPI (y/y)	Dec		10.50%	0.08

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.84	0.4	0.5
EUR/HUF	385.88	0.7	1.8
EUR/PLN	4.39	0.6	0.0
EUR/RON	4.97	0.0	0.0
EUR/RSD	117.05	0.0	0.0
EUR/USD	1.09	-0.3	-0.2

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	6.59	-1	-2
HUF	9.48	-5	-22
PLN	5.86	0	0
RON	6.14	0	-1
RSD	5.71	0	-1
EUR	3.95	0	5

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.91	8	9
HU 10Y	5.86	12	20
PL 10Y	5.31	6	11
RO 10Y	6.42	0	9
HR 10Y	3.26	0	1
SK 10Y	3.47	8	3

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