

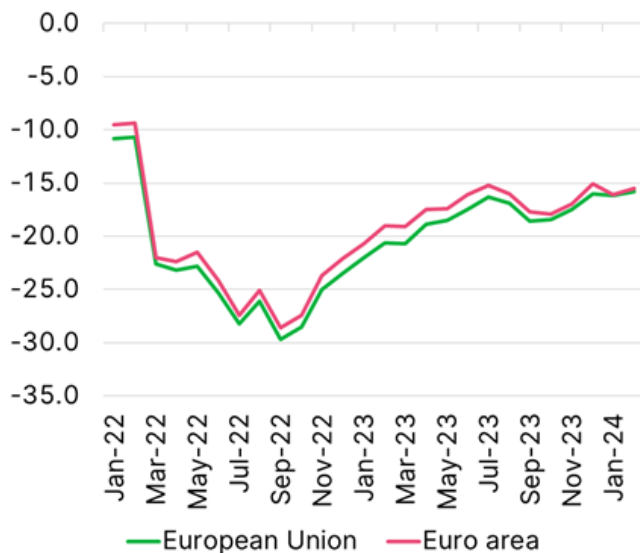
CEE MACRO AND FI DAILY

Consumer confidence slowly recovering

On the Radar

- In Hungary, gross wage grew by 16% y/y in December, marking an acceleration from 13.9% in the previous month.
- At 10 AM CET Poland will publish retail sales growth for January.
- At 11 AM CET Croatia will release final reading of January's inflation.
- Tomorrow in the morning, Hungary releases unemployment rate.

Consumer confidence, points

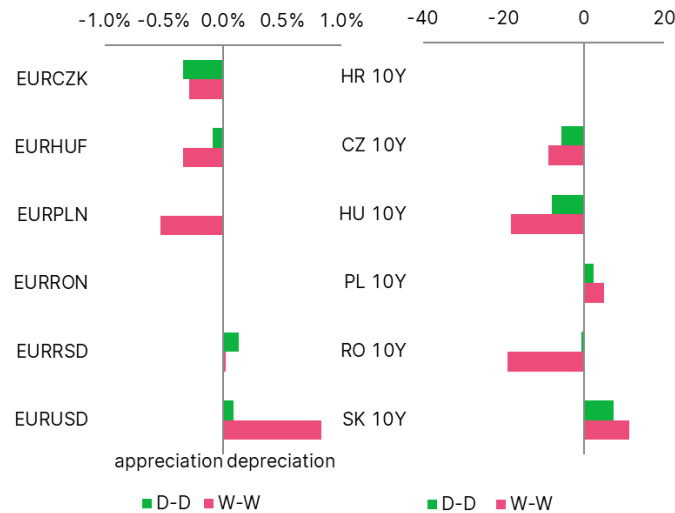


Economic developments

In February the flash estimate of the consumer confidence indicator picked up by 0.4 percentage points in the European Union and 0.6 percentage points in the euro area. It thus reached -15.8 points in the EU and -15.5 points in the Eurozone that is still well below the long-term average (as reported by European Commission). It also remains below the levels prior to the outbreak of the war in February 2022. However, the gap is closing gradually. As far as region is concerned, detailed data on consumer confidence will be published in a week. In January, the CEE average ticked up quite visibly and we believe we see further improvement as real wage growth accelerates amid headline inflation footprints falling dynamically.

Source: Erste Group Research

Market performance



Source: Erste Group Research

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Market developments

The CEE currencies have strengthened roughly 0.5% against the euro since the beginning of the week. Long term yields declined only in Hungary and Romania this week. Today, Romania plans to sell RON 200 million of bonds maturing in 2038. Romania also plans to hold presidential election in September while general election is scheduled for December 8. In Poland, according to the press releases, the motion to put the central bank's Governor Glapinski in front of special tribunal is planned to be filed in the Parliament by the end of March. He has been accused of providing misleading information on financial results of the central bank (that in case of profit contributes to the budget revenues) as well as engaging in political partisanship ahead of October's 2023 elections.

Upcoming releases in CEE

| Date | Time | Country | Indicator | Period | Survey | Erste Est. | Prev. |
|---------|-------|---------|-------------------|--------|--------|------------|--------|
| 22. Feb | 11:00 | HR | CPI (y/y) | Jan F | | 4.10% | 4.10% |
| | 11:00 | HR | CPI (m/m) | Jan F | | | -0.40% |
| 23. Feb | 08:30 | HU | Unemployment Rate | Jan | | | 4.40% |
| | 10:00 | PL | Unemployment Rate | Jan | 5.30% | | 5.10% |
| | 10:30 | SI | PPI (y/y) | Jan | | | |

FX Market

| | Last | Change (%) | |
|---------|--------|------------|------|
| | | d/d | w/w |
| EUR/CZK | 25.28 | -0.3 | -0.3 |
| EUR/HUF | 387.00 | -0.1 | -0.3 |
| EUR/PLN | 4.31 | 0.0 | -0.5 |
| EUR/RON | 4.97 | 0.0 | 0.0 |
| EUR/RSD | 117.04 | 0.1 | 0.0 |
| EUR/USD | 1.08 | 0.1 | 0.8 |

3M Market

| | Last | Change (bps) | |
|-----|------|--------------|-----|
| | | d-d | w-w |
| CZK | 6.06 | -3 | -7 |
| HUF | 8.83 | -4 | -16 |
| PLN | 5.87 | 1 | 1 |
| RON | 6.08 | 0 | -1 |
| RSD | 5.70 | 0 | 0 |
| EUR | 3.95 | 0 | 2 |

10Y Yields

| | Last | Change (bps) | |
|--------|------|--------------|-----|
| | | d-d | w-w |
| CZ 10Y | 3.63 | -6 | -9 |
| HU 10Y | 6.06 | -8 | -18 |
| PL 10Y | 5.44 | 2 | 5 |
| RO 10Y | 6.45 | 0 | -19 |
| HR 10Y | 3.24 | 0 | 0 |
| SK 10Y | 3.60 | 7 | 11 |

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