

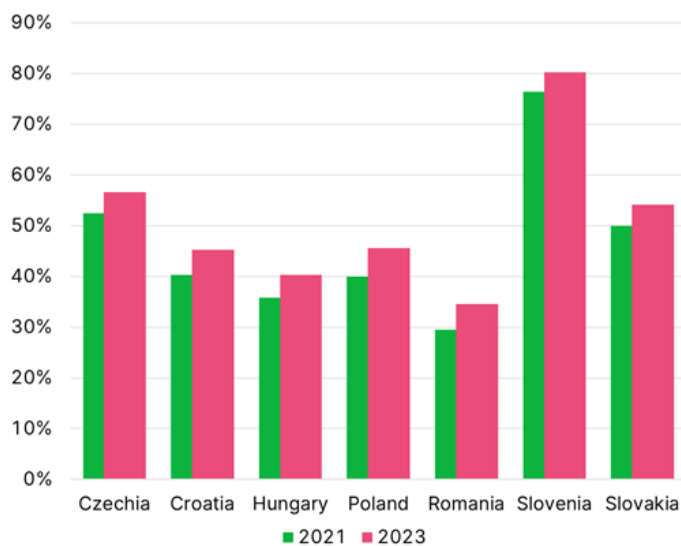
CEE MACRO AND FI DAILY

Nominal labor costs in CEE are half the EU average

On the Radar

- Retail sales in Slovenia contracted by -5.6% y/y in February.
- Today, flash inflation estimates for March are scheduled in Poland (10 AM CET) and in Slovenia (10.30 AM CET)
- In Croatia and Serbia, industrial output and retail sales growth will be released for February.

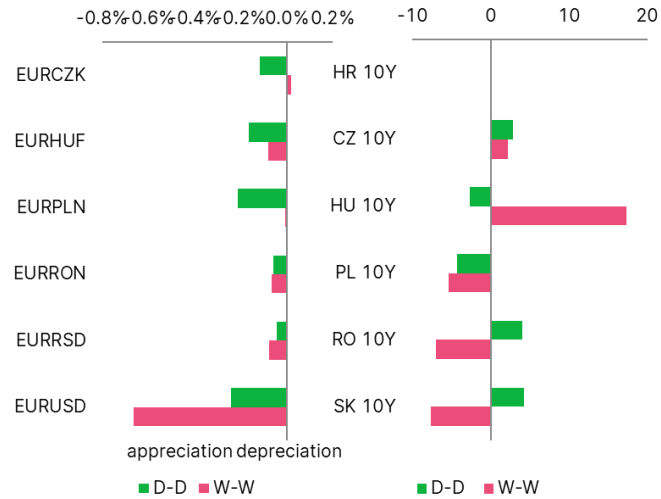
Nominal labor costs per hour, percent of EU27 average



Despite the dynamic growth of wages that we shortly discussed in the earlier reports ([Nominal labor costs grew dynamically in 2023](#) or [Growth of wages and salaries has risen](#)), the nominal labor costs in the region still remain visibly below the EU27 average. In these terms, Slovenia is the closest to the EU average (at 80%) while other countries remain in range between 40% and 60%. Only Romania lags behind, as nominal labor costs were at 35% of the EU27 average in 2023. Over last two years (i.e. since 2021 that is last year before inflation spike) the nominal labor costs caught up between 4 and 6 percentage points owing such development to double-digit nominal wage growth dynamics as opposed to Western countries, where wage growth was much slower.

Source: Erste Group Research

Market performance



Source: Erste Group Research

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Market developments

All currency pairs in the region moved up on the course of this week, while the long-term yields showed a mixed performance. Today, after market close, Moody's will review Romania's rating that is at Baa3 with stable outlook. We do not expect any change. Ahead of Easter, when some CEE countries have already public holiday on Friday, there are no other relevant news.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
29. Mar		HR	Current Account Balance (quarterly)	4Q			5230.01
	10:00	PL	CPI (y/y)	Mar P			2.80%
	10:00	PL	CPI (m/m)	Mar P			0.30%
	10:30	SI	CPI (y/y)	Mar		3.40%	3.40%
	10:30	SI	CPI (m/m)	Mar			0.80%
	11:00	HR	Industrial Production (y/y)	Feb		0.00%	-0.01
	11:00	HR	Retail Sales (y/y)	Feb		7.00%	7.95%
	12:00	RS	Industrial Production (y/y)	Feb		5.00%	6.90%
	12:00	RS	Retail Sales (y/y)	Feb		4.80%	4.10%
	12:00	RS	Trade Balance	Feb			-532.70

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.26	-0.1	0.0
EUR/HUF	393.76	-0.2	-0.1
EUR/PLN	4.30	-0.2	0.0
EUR/RON	4.97	-0.1	-0.1
EUR/RSD	117.00	0.0	-0.1
EUR/USD	1.08	-0.2	-0.7

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	5.61	0	0
HUF	7.83	-2	-19
PLN	5.85	-1	-1
RON	6.05	0	-2
RSD	5.69	0	0
EUR	3.89	-2	-3

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.89	3	2
HU 10Y	6.70	-3	17
PL 10Y	5.43	-4	-5
RO 10Y	6.52	4	-7
HR 10Y	3.25	0	0
SK 10Y	3.39	4	-8

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