

CEE MACRO AND FI DAILY

Prosperity Index revealed yesterday

On the Radar

- Final inflation footprint in Croatia arrived at 4.1% y/y in March.
- Core inflation in Poland landed at 4.6% y/y in March.
- In Czechia, industrial producer prices decreased by 0.1% m/m and remained at the same level y/y.

Prosperity Index, ranks

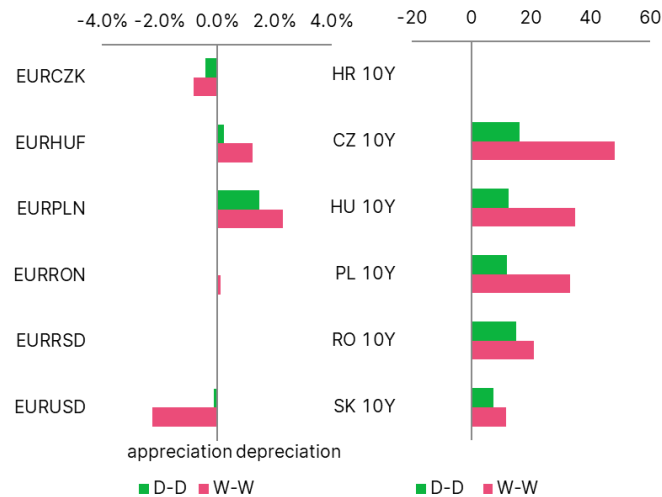
1.Sweden	2.Ireland	3.Denmark	4.Netherlands	
5.Slovenia	6.Finland	7.Belgium	8.Luxembourg	
9.Malta	13.Czechia	14.Estonia	15.Spain	
10.Austria	16.Poland	19.Portugal	20.Cyprus	21.Croatia
11.Germany	17.Italy	22.Latvia	24.Slovakia	25.Romania
12.France	18.Lithuania	23.Hungary	26.Bulgaria	27.Greece

Source: Erste Group Research

Economic developments

Slovakia presented its [Index Prosperity](#) on Tuesday that ranks European countries within four categories: Economy, Households, Society, Education and Environment. From our region Slovenia ranked first, Czechia and Poland are on 13th and 16th place respectively and other CEE countries placed at the end. Despite rather low rank, there are three main areas, in which the region excels. These are long-term growth, labor market outcomes and income equality. Long term perspective clearly shows how prosperous the region has been over last 20 years and most recently in the post-pandemic era. Unemployment rate in all CEE countries is below the EU average at 6%. Czechia and Poland have the lowest unemployment rates in the whole European Union. CEE countries also rank high in income equality as measured by Gini coefficient. Interestingly the perception is quite different as very high share of society considers income differences as too large.

Market performance



Source: Erste Group Research

Market developments

Today, Croats will cast their votes in parliamentary elections. The ruling conservative Croatian Democratic Union (HDZ) led by incumbent Prime Minister Andrej Plenkovic is challenged by an alliance of centrist and left-wing parties informally led by President Zoran Milanovic and his Social Democratic Party (SDP). The Polish zloty and Hungarian forint weakened against the euro more visibly since the beginning of the week. EURHUF moved toward 395 while EURPLN is at 4.36. On the other hand, the Czech koruna has strengthened. Romanian Board Member of the central bank Popa said on Tuesday that May's interest rate cut remains uncertain. He added that central bank may need more time to begin monetary easing. In his view, the progress in inflation fight was enough in February, leaving March as the only month with substantial progress. On the bond market, the long-term yields keep moving north this week.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
17. Apr	9:00	CZ	PPI (y/y)	Mar	0.25%	0.90%	-0.90%
18. Apr		RS	Current Account Balance (monthly)	Feb			124.90
	10:30	SK	Current Account Balance (monthly)	Feb			-134.00

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.18	-0.4	-0.8
EUR/HUF	394.71	0.2	1.2
EUR/PLN	4.36	1.5	2.3
EUR/RON	4.97	0.0	0.1
EUR/RSD	116.99	0.0	0.0
EUR/USD	1.06	-0.1	-2.3

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	5.56	0	1
HUF	7.69	0	-4
PLN	5.86	0	0
RON	6.05	0	0
RSD	5.70	-1	1
EUR	3.90	2	-1

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.47	16	48
HU 10Y	7.22	13	35
PL 10Y	5.86	12	33
RO 10Y	6.85	15	21
HR 10Y	3.25	0	0
SK 10Y	3.55	7	12

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