

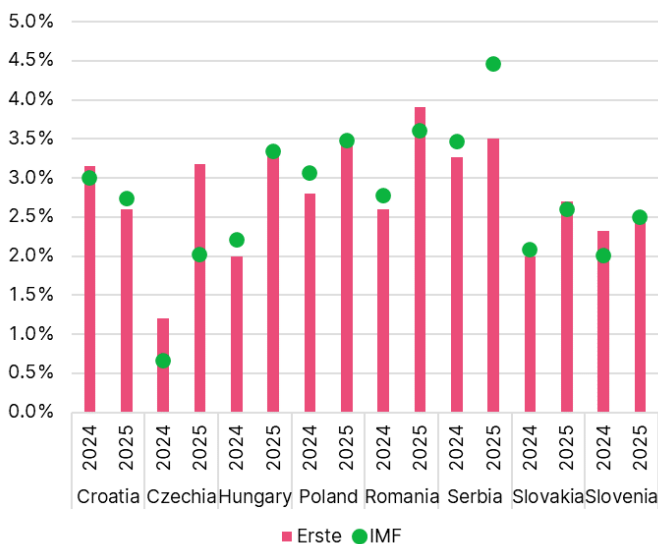
CEE MACRO AND FI DAILY

# IMF releases new World Economic Outlook

## On the Radar

- Polls prove correct – HDZ is the relative winner securing 61 seats in the 151-seat parliament. Right-side Homeland Movement looking like the natural coalition candidate, after winning 14MP's.
- Today, current account data will be published in Slovakia (10.30 AM CET) and later in Serbia.
- There are no other releases scheduled.

## IMF and Erste growth forecasts

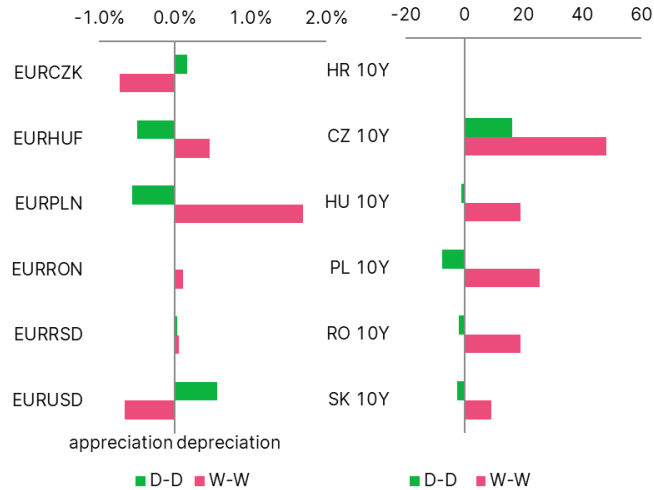


Source: Erste Group Research

## Economic developments

Two days ago, the IMF unveiled the April edition of its World Economic Outlook report, complete with updated forecasts. The global baseline projection expects the world economy to persist in its growth trajectory at a rate of 3.2 percent for the years 2024 and 2025, mirroring the growth rate of 2023. A modest acceleration in advanced economies is expected to be counterweighted by a slight deceleration in emerging market economies. Zooming in on the regional data reveals a few discrepancies between our projections and those of the IMF, particularly concerning Czechia. The IMF forecasts a significantly slower growth rate for Czechia (0.7% compared to our 1.2% for 2024, and 2.0% versus our 3.2% for 2025). Conversely, the IMF's outlook for Serbia's economic performance in the next year is more optimistic, projecting an expansion that is above our forecast by 0.9 percentage points. For the remainder of the countries within the region, the IMF's forecasts and those of Erste are largely similar. The Serbian economy is supposed to experience the most robust growth within the region for the current year. However, for the following year, we anticipate Romania to spearhead regional growth, while the IMF maintains that Serbia will continue to report the fastest expansion.

## Market performance



Source: Erste Group Research

## Market developments

With over 90% of the ballots counted, the Croatian Democratic Union (HDZ) won 60 seats in the 151-seat parliament. The Social Democratic Party (SDP) led by President Zoran Milanovic got 42 seats. The far-right Statehood Movement was third, with 14 seats. Such an outcome gives the far-right party a decisive power in forming the government. While though coalition negotiations are imminent, especially after some harsh exchange of words late in the campaign on the right-side spectrum, HDZ led by PM Plenkovic can celebrate as it looks all but certain that they will lead the next Croatian Government for the third consecutive time. We don't see tangible market reactions to the elections results until we get more clarity on post-election combinatorics. Turnout was very high - more than 50%. The Polish zloty and the Hungarian forint bounced back and strengthened against the euro on Wednesday. The Czech koruna stayed on the same course as in previous days. In Hungary, central bank's chief economist Kuti said that the Hungarian forint plays an important role in monetary policy settings amid risks of euroization and its impact on economy. Polish MPC member Wnorowski commented that the latest government plan to keep the lid on energy prices increases probability of monetary easing this year as it should keep inflation intact.

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## Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
18. Apr		RS	Current Account Balance (monthly)	Feb			124.90
	10:30	SK	Current Account Balance (monthly)	Feb			-134.00
19. Apr	09:00	SK	Unemployment Rate	Mar		5.10%	5.13%
	10:30	SI	PPI (y/y)	Mar			-3.50%
	11:00	HR	Unemployment Rate	Mar			6.70%
	11:00	HR	Wages (y/y)	Feb			8.60%

## FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.22	0.2	-0.7
EUR/HUF	392.74	-0.5	0.5
EUR/PLN	4.33	-0.6	1.7
EUR/RON	4.97	0.0	0.1
EUR/RSD	117.02	0.0	0.1
EUR/USD	1.07	0.6	-0.7

## 3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	5.55	-1	0
HUF	7.69	0	-2
PLN	5.87	1	0
RON	6.05	0	0
RSD	5.69	-1	0
EUR	3.90	-1	-2

## 10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.47	16	48
HU 10Y	7.21	-1	19
PL 10Y	5.79	-7	26
RO 10Y	6.83	-2	19
HR 10Y	3.25	0	0
SK 10Y	3.52	-2	9

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### Published by:

**Erste Group Bank AG**  
**Group Research**  
**1100 Vienna, Austria, Am Belvedere 1**  
**Head Office: Wien**  
**Commercial Register No: FN 33209m**  
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