

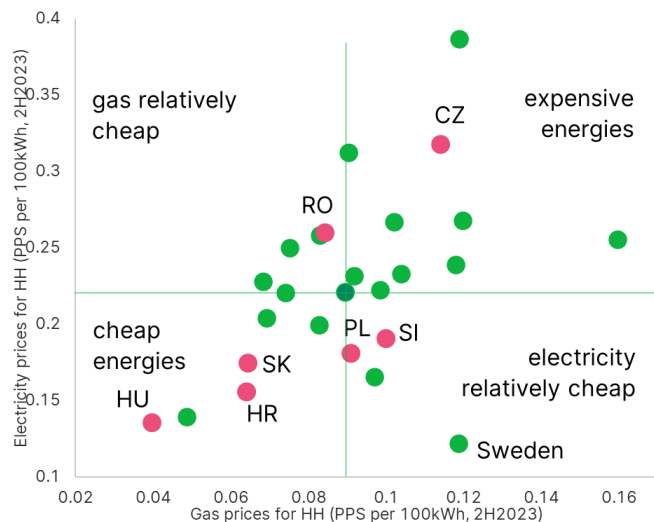
CEE MACRO AND FI DAILY

# Hungary keeps energy prices very low

## On the Radar

- The rating agency Standard & Poor's has confirmed Slovakia's and Hungary's rating at level A+ and BBB-, respectively.
- Tomorrow, Czechia, Hungary and Serbia will release GDP growth figures for Q1 2024.
- Inflation will be published tomorrow in Poland, Slovenia and Croatia.
- There are no data releases today.

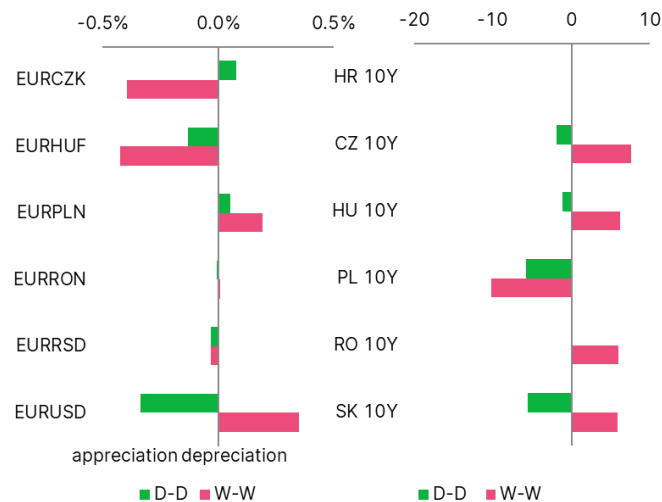
## Gas and electricity prices for households Economic developments



Source: Erste Group Research

Eurostat has published statistics on gas and electricity prices for households in 2H2023, which show very mixed development. About half of the EU member countries recorded a decline in gas and electricity prices for households in 2H2023 compared to the previous year, while the rest, including the vast majority of CEE, experienced an increase in energy prices. The only outlier from the region was Hungary where prices measured in EUR declined, and at the same time, Hungary keeps both gas and electricity prices for households measured in EUR and also in Purchasing Power Standards (PPS) at one of the lowest levels in the EU. Croatia and Slovakia are in a very similar bracket when it comes to low energy prices, which may pose some inflation risk in the next few years. In contrast, in Czechia, we have seen energy price increases relatively swiftly passed on to households, which may ease inflation pressure overall. It is quite interesting to see how energy policy in Sweden focused on renewables and reduction of GHGs has resulted in providing the most affordable electricity to households within the EU, while charging the highest taxes and levies on gas in the EU.

## Market performance



Source: Erste Group Research

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## Market developments

The rating agency Standard & Poor's has confirmed Slovakia's and Hungary's rating at level A+ and BBB-, respectively, both with a stable outlook. Therefore, Slovakia's rating from S&P remains unchanged and is two notches higher than Fitch's rating (A-, stable outlook) and one notch higher than Moody's rating (A2, negative outlook). S&P warned that changes in criminal law in Slovakia may trigger a dispute with the European Commission. Additionally, if the Slovak government does not sufficiently consolidate public finances or restricts political or judicial institutions, thereby jeopardizing the recovery plan and European funds, Slovakia's rating may fall. The S&P explained Hungary's wide fiscal deficit by temporary higher interest costs paid on government debt. With a stronger economic rebound expected in 2025 and normalization of interest rates, the deficit is seen at around 4% of GDP in 2025. CEE currencies moved sideways on Friday while Poland's and Slovakia's 10Y yields edged slightly down.

## Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.	
29. Apr			No releases scheduled					
30. Apr	08:30	HU	PPI (y/y)	Mar			-4.30%	
	08:30	HU	GDP (q/q)	1Q P				
	08:30	HU	GDP (y/y)	1Q P		0.00%		
	09:00	CZ	GDP (q/q)	1Q A		0.20%	0.40%	
	09:00	CZ	GDP (y/y)	1Q A		0.10%	0.20%	
	10:00	PL	CPI (y/y)	Apr P			2.00%	
	10:00	PL	CPI (m/m)	Apr P			0.00	
	10:30	SI	CPI (y/y)	Apr		3.10%	0.04	
	10:30	SI	CPI (m/m)	Apr			0.20%	
	11:00	HR	Industrial Production (y/y)	Mar		-0.03	-5.70%	
	11:00	HR	Retail Sales (y/y)	Mar		9.00%	9.13%	
	11:00	HR	CPI (y/y)	Apr P			4.10%	
	11:00	HR	CPI (m/m)	Apr P			0.90%	
	12:00	RS	Industrial Production (y/y)	Mar		4.00%	8.40%	
	12:00	RS	Retail Sales (y/y)	Mar		4.50%	8.80%	
	12:00	RS	Trade Balance	Mar			#####	
	12:00	RS	GDP (y/y)	1Q P		4.40%	0.04	

## FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.12	0.1	-0.4
EUR/HUF	391.95	-0.1	-0.4
EUR/PLN	4.31	0.1	0.2
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.97	0.0	0.0
EUR/USD	1.07	-0.3	0.3

## 3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	5.52	0	-1
HUF	7.50	-1	-18
PLN	5.87	1	1
RON	6.05	0	0
RSD	5.69	0	0
EUR	3.87	0	-3

## 10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.35	-2	8
HU 10Y	7.20	-1	6
PL 10Y	5.75	-6	-10
RO 10Y	6.85	0	6
HR 10Y	3.25	0	0
SK 10Y	3.62	-6	6

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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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