

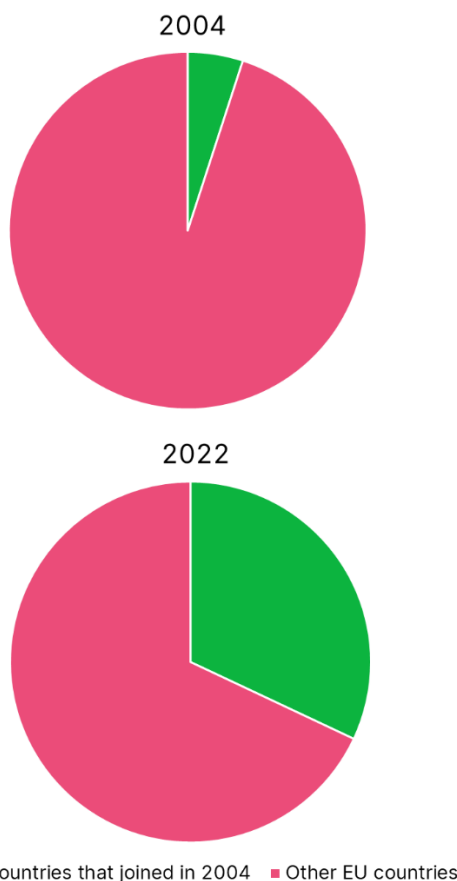
CEE MACRO AND FI DAILY

Share of EU funds allocated to CEE increased dramatically

On the Radar

- PPI in Hungary was released at -3% y/y.
- GDP growth in the first quarter of 2024 was 1.7% y/y in Hungary and 0.4% y/y in Czechia.
- Today, Poland, Slovenia and Croatia will publish flash estimates of April's inflation.
- Croatia will also reveal industrial production and retail sales growth.
- Serbia will release industrial production, retail sales, trade balance and GDP growth at 12.

Share of EU funds flowing to CEE, percent of total

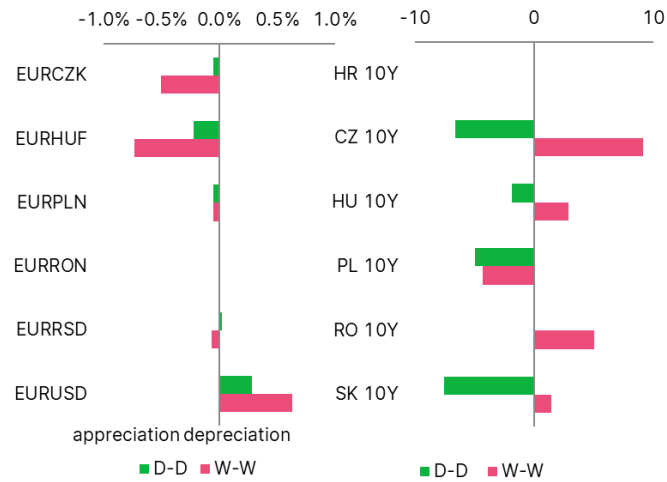


Source: Erste Group Research

Economic developments

As the 20th anniversary of the accession of Slovakia, Czechia, Poland, Hungary and Slovenia to the European Union is tomorrow, we have decided to share one more chart from our latest Special report "[20 Years after EU's enlargement](#)". This time, we take a look at the proportion of EU cohesion funds allocated to the five countries from the CEE region. At the time of the accession, CEE countries that joined in 2004 received only 5% of total EU payments, while in 2022 that share stood at 32%. Together with other CEE countries that joined later, this share stood at 41%. The CEE region has received EUR 205bn in total since the EU membership of the respective countries. All CEE countries, regardless of the timing of their EU membership, have received more from the EU than they paid in national contributions. Even now, none of the EU countries are close to being net payers into the EU budget, which will however have to change in the medium term.

Market performance



Source: Erste Group Research

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Market developments

While expectations of delayed FED interest rate cuts weighed on CEE fixed income markets in previous months, shortly ahead of the crucial FED meeting, CEE currencies edged marginally higher, and 10Y government bond yields in CEE stagnated or collapsed. Even if FED confirms its less dovish narrative tomorrow, the market has already priced in less aggressive monetary easing, not only in the U.S. but also in CEE, limiting potential damage. Yesterday, Romania's Ministry of Finance reopened ROMGBs 2026 and 2029, borrowing RON 461m and RON 500m, respectively. However, the demand for the 2Y bond was relatively low, with only a 1.07 bid-to-cover ratio.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
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
02. May	08:30	HU	Trade Balance	Feb F			#####
	14:30	CZ	Central Bank Rate	Mai 24		5.25%	5.75%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.11	-0.1	-0.5
EUR/HUF	391.07	-0.2	-0.7
EUR/PLN	4.31	-0.1	-0.1
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.99	0.0	-0.1
EUR/USD	1.07	0.3	0.6

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	5.53	1	1
HUF	7.50	0	-16
PLN	5.87	1	1
RON	6.05	0	0
RSD	5.69	0	-2
EUR	3.84	-3	-6

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.28	-7	9
HU 10Y	7.18	-2	3
PL 10Y	5.70	-5	-4
RO 10Y	6.85	0	5
HR 10Y	3.25	0	0
SK 10Y	3.54	-8	1

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