

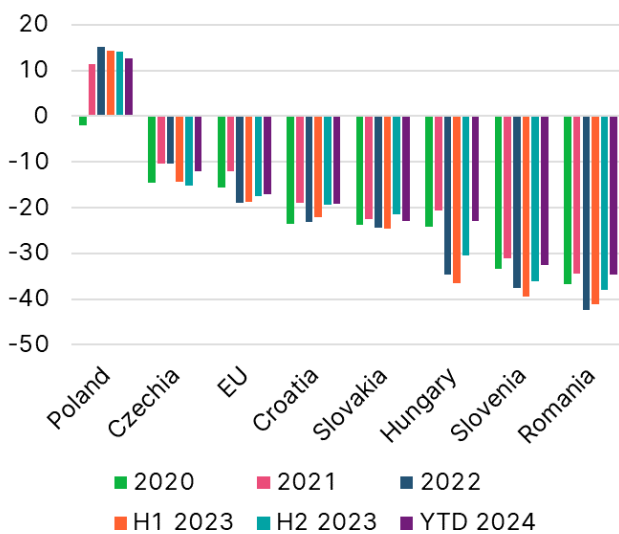
CEE MACRO AND FI DAILY

Major purchase plans increase only in some countries

On the Radar

- The Prime Minister of the Slovak Republic, Robert Fico, suffered gunshot wounds on Wednesday and was treated for life-threatening injuries.
- In Poland 1Q24 GDP growth arrived at 0.4% y/y that is 1.9% y/y.
- Slovenia 1Q24 GDP landed at 2.1% y/y.
- Today in the afternoon core inflation will be published in Poland. Otherwise, there are no other releases scheduled.

Major purchases over the next 12 months, period avg.

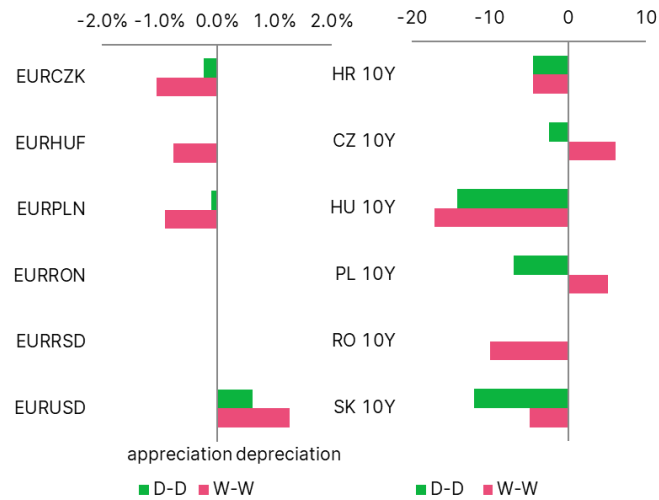


Source: Erste Group Research

Economic developments

In the light of the relatively strong Q1 GDP releases most of the CEE, we decided to examine the narrative of growth fueled by consumption. Therefore, we take a look at the plans of households for a major purchase in 12 months, which is one of the monthly Consumer confidence indicators from the European Commission. During the recent turbulent years, this indicator dropped the most in 2020 due to the pandemic, and in 2022 thanks to the inflation wave. The first half of 2023 was still grim in most countries; however, over the last few months, we see improving willingness to spend on a large purchase in the near-term. The most significant improvements are visible from Hungary, Slovenia and Romania, while a modest uplift is visible in Croatia, Czechia and in the EU on average. However, Poland seems an interesting case, where the reported willingness to spend a lot of money at once has been decreasing since 2022, in contrast to the region. In Slovakia, the index worsened since the start of the year, albeit only marginally.

Market performance



Source: Erste Group Research

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Market developments

The Prime Minister of the Slovak Republic, Robert Fico was shot on Wednesday and treated for life-threatening injuries. The shooting occurred after a government meeting outside the capital city in Handlova located approximately 190 kilometers northeast of Bratislava in a relatively less industrially developed region. Deputy Prime Minister Taraba informed on Wednesday evening that the Prime Minister was conscious after the surgery. In Romania, the central bank's chief tries to cool down expectations for monetary easing on Wednesday saying that if conditions do not arise the interest rate cut may not be delivered. Future decisions will be data dependent. The Czech koruna and the Polish zloty have strengthened almost 1% against the euro since the beginning of the week, while the Hungarian forint by roughly 0.5%. The bond market showed a mixed performance this week.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.	
16. May			No releases scheduled					
17. May	11:00	HR	CPI (y/y)	Apr F		0.04	3.70%	
	11:00	HR	CPI (m/m)	Apr F			0.7%	

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.73	-0.2	-1.1
EUR/HUF	385.45	0.0	-0.8
EUR/PLN	4.26	-0.1	-0.9
EUR/RON	4.97	0.0	0.0
EUR/RSD	117.01	0.0	0.0
EUR/USD	1.09	0.6	1.3

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	5.16	0	-2
HUF	7.33	-1	-7
PLN	5.86	1	0
RON	6.05	0	0
RSD	5.69	0	0
EUR	3.82	-1	0

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.03	-2	6
HU 10Y	6.60	-14	-17
PL 10Y	5.64	-7	5
RO 10Y	6.60	0	-10
HR 10Y	3.21	-4	-4
SK 10Y	3.45	-12	-5

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