

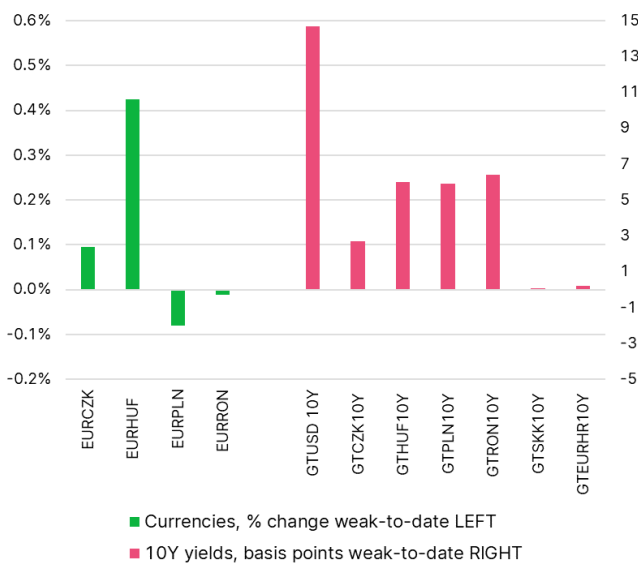
CEE MACRO AND FI DAILY

Marginal market reaction to US elections in CEE

On the Radar

- Polish central bank left the key policy rate unchanged at 5.75%.
- Retail sales in Romania went up by 10.7% y/y in September.
- In Hungary retail sector grew by 1.7% y/y below market expectations.
- In Czechia and Slovakia September's retail sales growth landed at 5.6% y/y and 4.3% y/y respectively.
- Today, central banks in Czechia and Serbia hold a rate setting meeting. We expect 25 basis points rate cut in both countries.
- In Serbia, producer prices will be published as well.

Week-to-date change on the FX and bond market

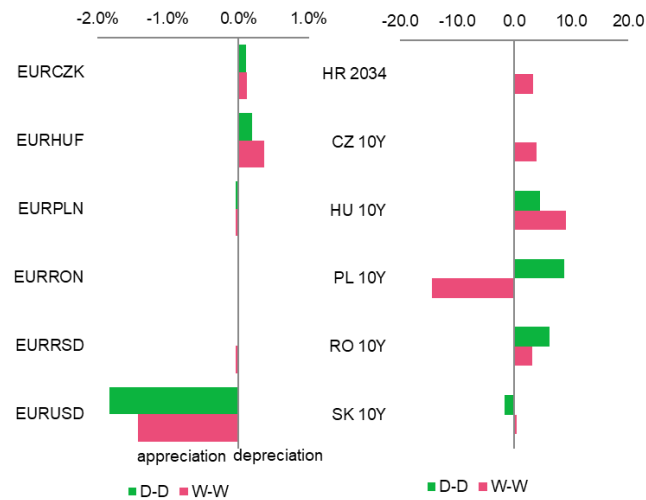


Source: Erste Group Research

Economic developments

Donald Trump will be America's 47th president. The extent to which President Trump realizes his election promises will influence the economic and market development in Central and Eastern Europe. In response to the news, CEE currencies depreciated against the euro on Wednesday morning. The EURHUF touched 412 briefly, the EURPLN moved up to 4.37, while the EURCZK went up to 25.4. The initial reaction was short-lived and toward the end of the day the CEE currencies have strengthened back. On the bond market we have seen long-end of the curve moving up, the most in Hungary, Poland and Romania. But even in these three countries the change was rather marginal in weak-to-date terms as 10Y yields are only 6 basis points up. In the US the long end of the curve is higher by almost 15 basis points weak-to-date. In our latest CEE Special Report [Will Hungarian forint remain weak?](#) we zoom in on Hungary that we see as the most vulnerable currency to global development.

Market performance



Source: Erste Group Research

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Market developments

Polish central bank has decided to maintain the key interest rate at its current level of 5.75%. Additionally, we have received an updated forecast from the NBP, which has narrowed its inflation projections and revised downward the anticipated economic performance of Poland for the period between 2024 and 2026. Today, central banks in Czechia and Serbia hold a rate setting meeting. We expect 25 basis points rate cut in both countries. In our view, today's decision will complete monetary easing in 2024 in both countries. In Czechia, we put our growth forecast under revision and expect new point forecast to be lowered for 2025.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
07. Nov	08:00	RO	Retail Sales (y/y)	Sep		10.60%	9.20%
	08:30	HU	Retail Sales (y/y)	Sep		3.80%	4.10%
	09:00	SK	Retail Sales (y/y)	Sep		1.50%	0.70%
	12:00	RS	PPI (y/y)	Oct			
	12:00	RS	Central Bank Rate	Nov 24			5.75%
	14:30	CZ	Central Bank Rate	Nov 24		4.00%	4.25%
08. Nov		RO	Central Bank Rate	Nov 24		6.50%	6.50%
	09:00	SK	Industrial Production (y/y)	Sep		2.50%	0.01
	09:00	SK	Trade Balance	Sep		170.00	140.90
	11:00	HR	PPI (y/y)	Oct			-4.70%

There is no market data table today due to data provider error.

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