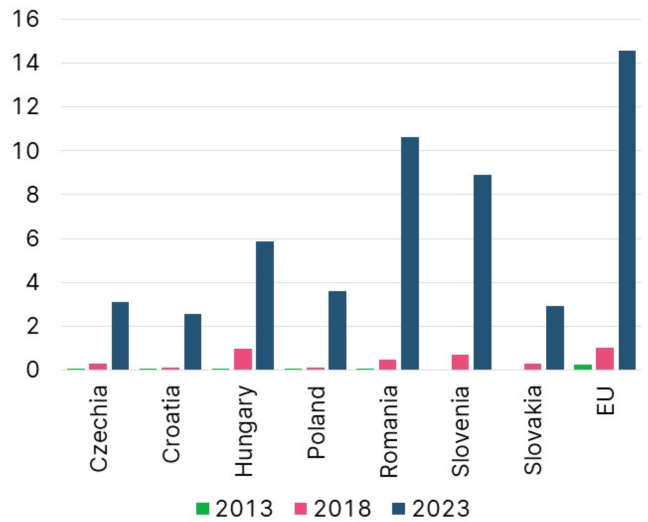
CEE MACRO AND FI DAILY

Adoption of electric vehicles in CEE falls behind the EU

On the Radar

- Lorem Trade deficit in Slovenia landed at EUR -0.644 billion in June.
- Trade balance in Hungary came at EUR 1.1bn surplus.
- Retail sales (excluding cars) in Czechia arrived at 4.4% y/y in June.

Share of new zero-emission vehicles in all new vehicles, passengers cars

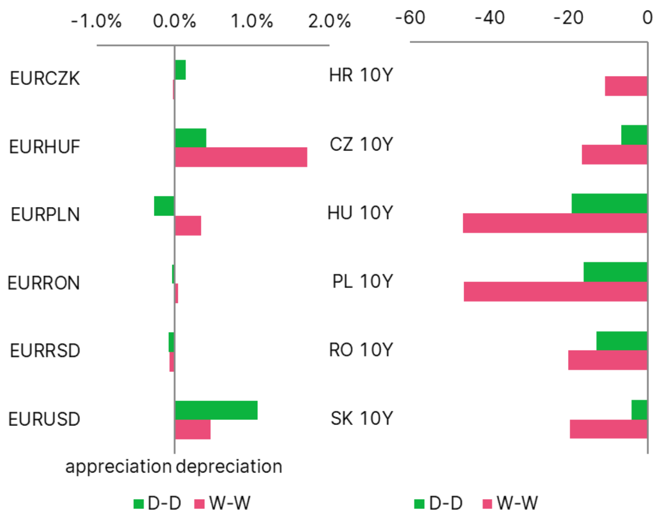


Source: Erste Group Research

Economic developments

In 2023, 1.5 million new battery-only electric passenger cars were registered in the EU, bringing the total number to 4.5 million. This represents a 48.5% increase compared with 2022 when the total number was 3.0 million. The share of battery-only electric cars among new registrations reached 14.6% in 2023 up from 1% in 2018. This marks a continuation of the rapid increase in the adoption of electric vehicles in the EU. Looking across the region, the highest share of new zero-emission vehicles in all new vehicles is in Romania and reached 10.6% in 2023. The lowest share, below 3% in 2023 was registered in Croatia and Slovakia. In the whole region, the average was at 5.4% in 2023. However, when it comes to the stock of passenger cars, on 31 December 2023, battery-only electric cars accounted for 1.7% of all cars in the EU, with noticeable variations among EU countries.

Market performance



Source: Erste Group Research

Market developments

Over last week, the Czech koruna remained stable against the euro while the Hungarian forint and the Polish zloty have gone in the other direction. The Hungarian forint's losses were more extensive than the Polish zloty's. Long-term interest rates have declined over the last week. The drop was quite substantial and reached as much as 50bp in Poland and Hungary and 20bp in Romania, Czechia and Slovakia. We link such development to Powell's statement during the press conference, where there were clear indications for a rate cut in September. This week, we have two central bank meetings scheduled. On Wednesday, the Romanian National Bank is expected to lower the key interest rate, and the following day the Serbian central bank should ease monetary conditions as well.

Analyst:
Katarzyna Rzentarzewska
+43 5 0100 17356
katarzyna.rzentarzewska@erstegroup.com

Analyst:
Juraj Kotian
+43 (0)5 0100 17357
juraj.kotian@erstegroup.com

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
05. Aug	**08:30**	**HU**	Trade Balance	Jun P			1001.00
06. Aug	**08:00**	**RO**	Retail Sales (y/y)	Jun		9.00%	6.10%
	08:30	**HU**	Retail Sales (y/y)	Jun		3.00%	3.60%
	09:00	**SK**	Retail Sales (y/y)	Jun		5.50%	5.20%
	09:00	**CZ**	Industrial Production (y/y)	Jun		-2.90%	-3.20%
	09:00	**CZ**	Trade Balance	Jun		21.80	16.30
	11:00	**HR**	PPI (y/y)	Jul			-3.50%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.32	0.1	0.0
EUR/HUF	397.41	0.4	1.7
EUR/PLN	4.29	-0.3	0.3
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.88	-0.1	-0.1
EUR/USD	1.09	1.1	0.5

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	4.45	-7	-11
HUF	6.54	-1	-7
PLN	5.85	0	-1
RON	5.80	0	0
RSD	5.18	0	0
EUR	3.62	-1	-3

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.63	-7	-17
HU 10Y	5.97	-19	-47
PL 10Y	5.08	-16	-46
RO 10Y	6.55	-13	-20
HR 10Y	3.21	0	-11
SK 10Y	3.26	-4	-20

Group Research

Head of Group Research	
Friedrich Mostböck, CEFA®, CESGA®	+43 (0)5 0100 11902
CEE Macro/Fixed Income Research	
Head: Juraj Kotian (Macro/FI)	+43 (0)5 0100 17357
Katarzyna Rzentarzewska (Fixed income)	+43 (0)5 0100 17356
Jakub Cery (Fixed income)	+43 (0)5 0100 17384
Croatia/Serbia	
Alen Kovac (Head)	+385 72 37 1383
Mate Jelić	+385 72 37 1443
Ivana Rogic	+385 72 37 2419
Czech Republic	
David Navratil (Head)	+420 956 765 439
Jiri Polansky	+420 956 765 192
Michal Skorepa	+420 956 765 172
Hungary	
Orsolya Nyeste	+361 268 4428
János Nagy	+361 272 5115
Romania	
Ciprian Dascalu (Head)	+40 3735 10108
Eugen Sinca	+40 3735 10435
Dorina Ilasco	+40 3735 10436
Vlad Nicolae Ionita	+40 7867 15618
Slovakia	
Maria Valachyova (Head)	+421 2 4862 4185
Matej Hornak	+421 902 213 591
Marian Kocis	+421 904 677 274
Major Markets & Credit Research	
Head: Gudrun Egger, CEFA®	+43 (0)5 0100 11909
Ralf Burchert, CEFA®, CESGA® (Sub-Sovereigns & Agencies)	+43 (0)5 0100 16314
Hans Engel (Global Equities)	+43 (0)5 0100 19835
Peter Kaufmann, CFA® (Corporate Bonds)	+43 (0)5 0100 11183
Heiko Langer (Financials & Covered Bonds)	+43 (0)5 0100 85509
Stephan Lingnau (Global Equities)	+43 (0)5 0100 16574
Maximilian Möstl (Credit Analyst Austria)	+43 (0)5 0100 17211
Carmen Riefler-Kowarsch (Financials & Covered Bonds)	+43 (0)5 0100 19632
Rainer Singer (Euro, US)	+43 (0)5 0100 17331
Bernadett Povazsai-Römhild, CEFA®, CESGA® (Corporate Bonds)	+43 (0)5 0100 17203
Elena Statelov, CIIA® (Corporate Bonds)	+43 (0)5 0100 19641
Gerald Walek, CFA® (Euro, CHF)	+43 (0)5 0100 16360
CEE Equity Research	
Head: Henning Eßkuchen	+43 (0)5 0100 19634
Daniel Lion, CIIA® (Technology, Ind. Goods&Services)	+43 (0)5 0100 17420
Michael Marschallinger, CFA®	+43 (0)5 0100 17906
Nora Nagy (Telecom)	+43 (0)5 0100 17416
Christoph Schultes, MBA, CIIA® (Real Estate)	+43 (0)5 0100 11523
Thomas Unger, CFA® (Banks, Insurance)	+43 (0)5 0100 17344
Vladimira Urbankova, MBA (Pharma)	+43 (0)5 0100 17343
Martina Valenta, MBA	+43 (0)5 0100 11913
Croatia/Serbia	
Mladen Dodig (Head)	+381 11 22 09178
Boris Pevalek, CFA®	+385 99 237 2201
Marko Plastic	+385 99 237 5191
Matej Pretkovic	+385 99 237 7519
Bruno Barbic	+385 99 237 1041
Davor Spoljar, CFA®	+385 72 37 2825
Magdalena Basic	+385 99 237 1407
Czech Republic	
Petr Bartek (Head, Utilities)	+420 956 765 227
Jan Bystřický	+420 956 765 218
Hungary	
József Miró (Head)	+361 235 5131
András Nagy	+361 235 5132
Tamás Pletser, CFA® (Oil & Gas)	+361 235 5135
Poland	
Cezary Bernatek (Head)	+48 22 257 5751
Piotr Bogusz	+48 22 257 5755
Łukasz Jańczak	+48 22 257 5754
Krzysztof Kawa, CIIA®	+48 22 257 5752
Jakub Szkopek	+48 22 257 5753
Romania	
Caius Rapanu	+40 3735 10441

Group Markets

Head of Group Markets	
Oswald Huber	+43 (0)5 0100 84901
Group Markets Retail and Agency Business	
Head: Christian Reiss	+43 (0)5 0100 84012
Markets Retail Sales AT	
Head: Markus Kaller	+43 (0)5 0100 84239
Group Markets Execution	
Head: Kurt Gerhold	+43 (0)5 0100 84232
Retail & Sparkassen Sales	
Head: Uwe Kolar	+43 (0)5 0100 83214
Markets Retail Sales CZ	
Head: Roman Choc	+420 956 765 374
Markets Retail Sales HUN	
Head: Peter Kishazi	+36 1 23 55 853
GM Retail Products &Business Development	
Head: Martin Langer	+43 (0)50100 11313
Corporate Treasury Product Distribution AT	
Head: Martina Kranzl-Carvell	+43 (0)5 0100 84147
Group Securities Markets	
Head: Thomas Einramhof	+43 (0)50100 84432
Institutional Distribution Core	
Head: Jürgen Niemeier	+49 (0)30 8105800 5503
Institutional Distribution DACH+	
Head: Marc Friebertshäuser	+49 (0)711 810400 5540
Bernd Bollhof	+49 (0)30 8105800 5525
Andreas Goll	+49 (0)711 810400 5561
Mathias Gindele	+49 (0)711 810400 5562
Ulrich Inhofner	+43 (0)5 0100 85544
Sven Kienzle	+49 (0)711 810400 5541
Rene Klasen	+49 (0)30 8105800 5521
Christopher Lampe-Traupe	+49 (0)30 8105800 5523
Danijel Popovic	+49 1704144713
Michael Schmotz	+43 (0)5 0100 85542
Christoph Ungerböck	+43 (0)5 0100 85558
Klaus Vosseler	+49 (0)711 810400 5560
Slovakia	
Šarlota Šipulová	+421 2 4862 5619
Monika Směliková	+421 2 4862 5629
Institutional Distribution CEE & Insti AM CZ	
Head: Antun Burić	+385 (0)7237 2439
Jaromir Malak	+43 (0)5 0100 84254
Czech Republic	
Head: Ondrej Čech	+420 2 2499 5577
Milan Bartoš	+420 2 2499 5562
Jan Porvich	+420 2 2499 5566
Pavel Zdichynec	+420 2 2499 5590
Institutional Asset Management Czech Republic	
Head: Petr Holeček	+420 956 765 453
Petra Maděrová	+420 956 765 178
Martin Peřina	+420 956 765 106
David Petráček	+420 956 765 809
Blanka Weinerová	+420 956 765 317
Petr Valenta	+420 956 765 140
Croatia	
Head: Antun Burić	+385 (0)7237 2439
Zvonimir Tukač	+385 (0)7237 1787
Ana Tunjić	+385 (0)7237 2225
Natalija Zujic	+385 (0)7237 1638
Hungary	
Head: Peter Csizmadia	+36 1 237 8211
Balazs Papay	+36 1 237 8213
Gábor Bálint	+36 1 237 8205
Gergő Szabo	+36 1 237 8209
Romania	
Head: Octavian Florin Munteanu	+40 746128914
Group Institutional Equity Sales	
Head: Michal Řízek	+420 224 995 537
Werner Fürst	+43 (0)50100 83121
Viktoria Kubalcova	+43 (0)5 0100 83124
Thomas Schneidhofer	+43 (0)5 0100 83120
Oliver Schuster	+43 (0)5 0100 83119
Czech Republic	
Head: Michal Řízek	+420 224 995 537
Jiří Fereš	+420 224 995 554
Martin Havlan	+420 224 995 551
Pavel Krabička	+420 224 995 411
Poland	
Head: Jacek Jakub Langer	+48 22 257 5711
Tomasz Galanciak	+48 22 257 5715
Wojciech Wysocki	+48 22 257 5714
Przemyslaw Nowosad	+48 22 257 5712
Maciej Senderek	+48 22 257 5713
Croatia	
Matija Tkalicanac	+385 72 37 21 14
Hungary	
Nandori Levente	+ 36 1 23 55 141
Krisztian Kandik	+ 36 1 23 55 162
Balasz Zankay	+ 36 1 23 55 156
Romania	
Valerian Ionescu	+40 3735 16541
Group Fixed Income Securities Markets	
Head: Goran Hoblaj	+43 (0)50100 84403
Fixed Income Flow Sales	
Head: Gorjan Hoblaj	+43 (0)5 0100 84403
Margit Hraschek	+43 (0)5 0100 84117
Christian Kienesberger	+43 (0)5 0100 84323
Ciprian Mitu	+43 (0)5 0100 85612
Bernd Thaler	+43 (0)5 0100 84119
Zsuzsanna Toth	+36 1 237 8209
Poland	
Pawel Kielek	+48 22 538 6223
Michal Jarmakowicz	+43 50100 85611
Fixed Income Flow Trading	
Head: Gorjan Hoblaj	+43 (0)5 0100 84403
Group Fixed Income Securities Trading	
Head: Goran Hoblaj	+43 (0)50100 84403
Group Equity Trading & Structuring	
Head: Ronald Nemec	+43 (0)50100 83011
Business Support	
Bettina Mahoric	+43 (0)50100 86441

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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
Commercial Court of Vienna

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