

CEE MACRO AND FI DAILY

# Car registration dynamics slow down

## On the Radar

- In Poland, industrial output growth declined by -0.3% y/y in September. Producer prices went down by -6.3% y/y. Employment dropped by -0.5% y/y while wages increased by 10.3% y/y
- Producer prices in Slovenia declined by -0.9% y/y in September.
- In Croatia, September's unemployment rate declined to 4.6% while August's real wage grew by 11.9% y/y.
- In Hungary, real wage growth arrived at 9.4% y/y.
- Today, there is Hungarian central bank meeting, and we expect no change in key policy rate.
- In Poland, real retail sales will be published for September at 10 AM CET.
- Slovenia will publish real wage growth for August.

### New car registrations, % y/y

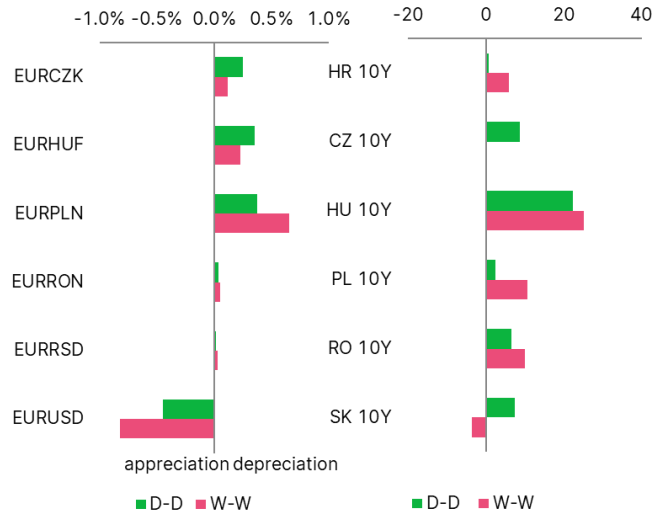


Source: Erste Group Research

### Economic developments

In September 2024, new EU car registrations continued their downward trajectory (-6.1%) with negative results across three of the region's four major markets: France (-11.1%) and Italy (-10.7%), with the German market declining by 7%. Year-to-date performance remains marginally positive in the EU. As far as the region is concerned, the growth was negative in three countries in September 2024. Hungary had a slight decline (-0.5%), while Romania and Slovakia experienced the greatest slumps (-14.9% y/y and -7.8% y/y respectively). Other countries saw positive growth dynamics in September 2024. Year-to-date, new car registrations are higher in all countries. Croatia and Poland have so far outperformed their peers with double-digit growth dynamics. Hungary and Slovenia have also shown solid year-to-date performance.

## Market performance



Source: Erste Group Research

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## Market developments

CEE currencies weakened against the euro at the beginning of the week, while long-term yields edged slightly up apart from Croatia and Romania. Today, the Hungarian central bank holds a rate-setting meeting, and we expect no change in the key policy rate due to the weakness of the Hungarian forint. Deputy Governor Virag suggested such a scenario, indicating a break in monetary easing. Furthermore, it seems that the break may last for a "sustained period" if the external environment and inflation outlook justify a cautious approach. It will be interesting to hear the statement and comments from the central bank after the decision. Romania held a successful bond auction of 2029 government papers, selling more than planned (RON 990.1 million).

## Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
22. Oct	10:00	PL	Retail Sales (y/y)	Sep			3.20%
	14:00	HU	Central Bank Rate	Okt 24		6.50%	6.50%
23. Oct	10:00	PL	Unemployment Rate	Sep			5.00%

### FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.25	0.3	0.1
EUR/HUF	401.28	0.4	0.2
EUR/PLN	4.32	0.4	0.7
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.94	0.0	0.0
EUR/USD	1.08	-0.5	-0.8

### 3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	4.12	0	-3
HUF	6.38	1	4
PLN	5.85	0	-2
RON	5.55	0	0
RSD	4.84	-1	-5
EUR	3.14	-6	-7

### 10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.98	9	0
HU 10Y	6.66	22	25
PL 10Y	5.59	2	11
RO 10Y	6.84	6	10
HR 10Y	3.11	1	6
SK 10Y	3.22	7	-3

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