

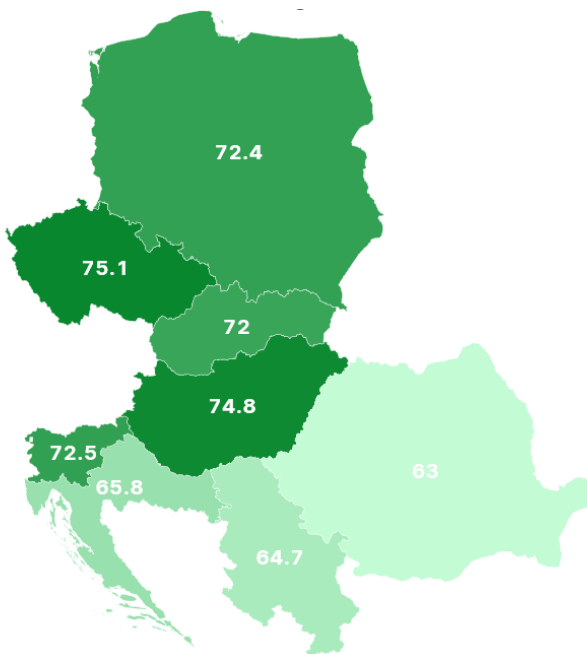
CEE MACRO AND FI DAILY

# Employment rises in CEE and the EU

## On the Radar

- In Hungary, Q3 GDP arrived at -0.7% q/q and -0.8% y/y, a major surprise to the downside.
- Third quarter GDP in Czechia came at 0.3% q/q and 1.3% y/y, in line with expectations.
- At 10.30 AM CET Slovenia will publish flash estimate of October's inflation.
- At 11 AM CET Croatia will release retail sales data for September.

## Employment, 15-64 years percent

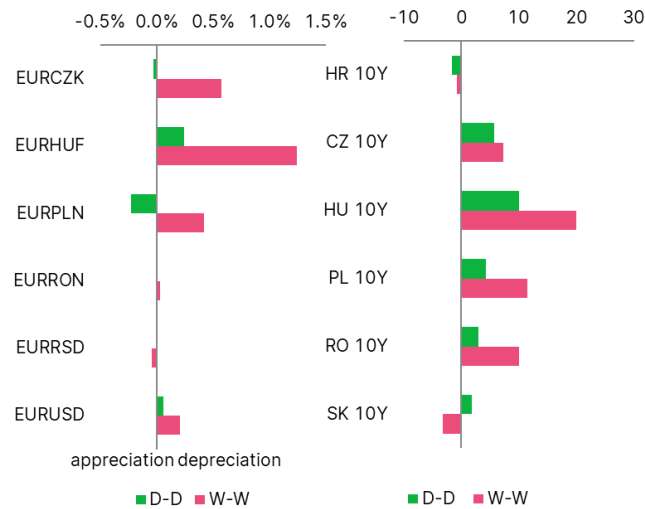


Source: Erste Group Research

## Economic developments

Despite the weak economic performance, the EU's employment rate stood at 75.3% in 2023, up 0.7 percentage points compared with 2022. This is the highest level in the entire available time series according to Eurostat. In the region the average employment was at 70% in 2023, lower compared to the EU average. Moreover, compared to the pre-pandemic levels employment increased in most of the CEE countries. Only in Czechia it was at the same level in 2023 (75.1%), while in Romania it dropped to 63%. At the same time, Czechia has the highest employment in the region, while Romania is at the opposite side. Next to Romania, Serbia and Croatia have the employment level below 70%. The regional comparison brings also interesting insights as among the EU regions, the Polish capital region of Warszawski stołeczny had the highest employment rate last year at 86.5%. The second highest rate was found in Bratislavský kraj in Slovakia (85.8%). That comes in contrast with the eastern regions of these two countries where employment is slightly above 70%, that is below the countries' averages.

## Market performance



Source: Erste Group Research

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## Market developments

Slovakia successfully returned to the international capital markets for the third time this year offering 7Y government papers worth EUR 2 billion that were priced to yields 3.04% (spread of MS+70bps). Romania holds the T-Bills auction, while Poland struggled with the demand on the bond auction (it was at two-year low). Poland revised up its 2024 budget deficit up (to PL 240.3 billion zloty versus PLN 184 billion) as lower than expected value-added tax revenues strain the fiscal plan along with additional spending triggered by a devastating flood. Poland is under excessive deficit procedure. As for yield development, apart from Croatia and Slovakia, long term yields have edged marginally higher since the beginning of the week. On the FX market, the Polish zloty changed the trend and has appreciated slightly since the beginning of the week as oppose to the peers.

## Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
30. Oct	08:30	HU	GDP (q/q)	3Q P		-0.20%	-0.10%
	08:30	HU	GDP (y/y)	3Q P		0.20%	1.50%
	09:00	CZ	GDP (q/q)	3Q A	0.43%	0.30%	0.40%
	09:00	CZ	GDP (y/y)	3Q A	1.47%	1.30%	0.60%
	10:30	SI	CPI (y/y)	Oct		1.10%	0.60%
	10:30	SI	CPI (m/m)	Oct			
	11:00	HR	Retail Sales (y/y)	Sep		4.50%	5.70%
31. Oct	08:00	RO	Unemployment Rate	Sep			5.50%
	08:30	HU	PPI (y/y)	Sep			3.00%
	08:30	HU	Trade Balance	Aug F			671.00
	10:00	PL	CPI (y/y)	Oct P		5.00%	4.90%
	10:00	PL	CPI (m/m)	Oct P		0.20%	0.00
	11:00	HR	Industrial Production (y/y)	Sep		-1.00%	-2.10%
	11:00	HR	CPI (y/y)	Oct P		2.00%	1.60%
	11:00	HR	CPI (m/m)	Oct P			0.40%
	12:00	RS	Industrial Production (y/y)	Sep		1.00%	0.90%
	12:00	RS	Retail Sales (y/y)	Sep		5.00%	5.30%
	12:00	RS	Trade Balance	Sep			-902.10
	12:00	RS	GDP (y/y)	3Q P		3.60%	4.00%

## FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.34	0.0	0.6
EUR/HUF	405.01	0.2	1.2
EUR/PLN	4.34	-0.2	0.4
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.87	0.0	0.0
EUR/USD	1.08	0.1	0.2

## 3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	4.08	0	-3
HUF	6.45	2	5
PLN	5.86	1	1
RON	5.55	0	0
RSD	4.80	-1	-4
EUR	3.06	0	-4

## 10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.11	6	7
HU 10Y	6.93	10	20
PL 10Y	5.79	4	11
RO 10Y	6.93	3	10
HR 10Y	3.09	-2	-1
SK 10Y	3.20	2	-3

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### Published by:

**Erste Group Bank AG**  
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**1100 Vienna, Austria, Am Belvedere 1**  
**Head Office: Wien**  
**Commercial Register No: FN 33209m**  
**Commercial Court of Vienna**

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