

CEE MARKET INSIGHTS

# Hungarian central bank to remain on hold

## This week in CEE

Hungarian central bank is the key event this week and we expect no change in the key policy rate that is at 6.5%. October's inflation went up to 3.2% y/y and the Hungarian forint has been weak lately. Other than that, it will be rather light week regarding data releases. In Czechia and Slovenia, producer prices will be released. Further, labor market data are due. In Slovakia and Croatia, unemployment rate for October will be published. In Croatia, Hungary and Slovenia wage growth will be released for September. Finally, Slovakia will publish current account data for September.

Monday	Tuesday	Wednesday	Thursday	Friday
<b>CZ: Producer prices</b>	<b>HU: Central bank</b>		<b>SI: Producer prices</b>	<b>HU SI: Wages</b>
	<b>SK: Current account, Unemployment</b>		<b>HR: Unemployment, Wages</b>	

**SK: 2028 2033 2034 2036 Bonds**

**HU HR: T-Bills**

**HU: Bills**

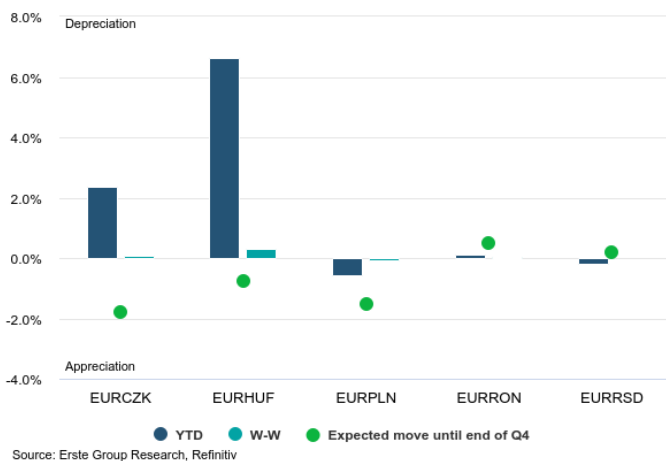
**PL HU: Bonds**

**RO: 2027 Bonds**

**RO: 2026 2035 Bonds**

**HU: T-Bills**

## FX market

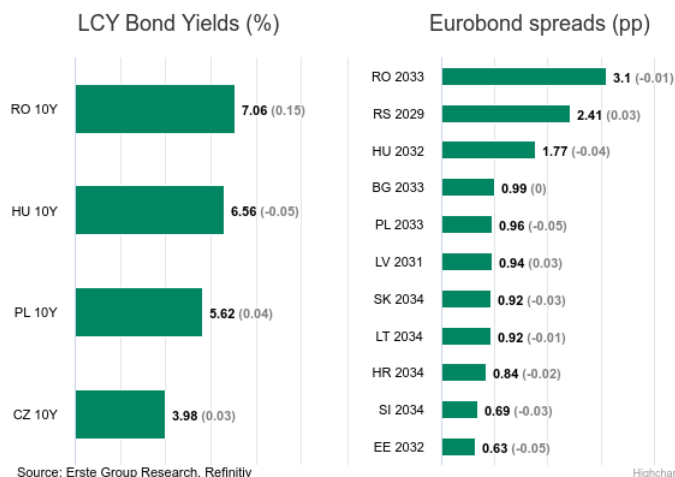


## FX market developments

The weakening trend from the beginning of the week was reverted and EURHUF went to 405, while EURPLN to as low as 4.31 on Friday. The recent statement of Federal Reserve Chair Powell supports such development. He said that the economy was not sending any signals that we need to be in a hurry to lower rates.

This week, the Hungarian central bank is the key event in the region. We expect the key policy Rate to remain stable at 6.5% as inflation inched up in October and the EURHUF holds above 400.

## LCY yields, Eurobond spreads



Source: Erste Group Research, Refinitiv

Highchart

## Bond market developments

The situation on the CEE bond market was rather calm this week with one exception – Romania. While 10Y yields hardly changed this week in CEE (or slightly declined in Hungary), the ROMGB curve moved up about +20bp w/w. 10Y yield on ROMGBs topped 7% last week (one-year high), getting 40bp above yield on 10Y HGBs. Disappointing flash GDP growth would normally call for lower rates and yields in Romania, but uncertainty surrounding future fiscal prospects and consolidation measures weighed on Romanian bonds. Croatia has advanced in filling its order book for 1Y retail bonds with targeted volume of EUR 1.2bn. They should yield 3.15% and be tax-free. This week, Slovakia is to reopen SLOVGBs 2028, 2033, 2034, 2036 and Romania should reopen ROMGBs 2026, 2027 and 2035. Hungary will offer various T-bills on top of regular T-bond auctions and Croatia will sell T-bills too.

## In case you missed

CEE: [Q3 growth figures weaker than anticipated](#)

Montenegro Outlook: [Growth moderating but sentiment remains positive](#)

Czechia: [Inflation of service prices remains strong](#)

Hungary: [A pleasant inflation surprise for October](#)

Poland: [Polish economy slows down in the third quarter](#)

Romania: [Full year growth revised down at +0.8%](#)

Romania: [Manufacturing not bottoming out; outlook uncertain](#)

Romania: [We revise upward year-end inflation forecast to 4.9%](#)

Romania: [The timing for the next NBR rate cut hinges on fiscal consolidation measures](#)

Slovakia: [Inflation Exceeded 3% in October](#)

Slovakia: [Consumption remains a driver of GDP growth](#)

Slovenia: [GDP increased 1.4% y/y in 3Q24](#)

### Analyst:

Juraj Kotian

+43 (0)5 0100 17357

juraj.kotian@erstegroup.com

Katarzyna Rzentarzewska

+43 5 0100 17356

katarzyna.rzentarzewska@erstegroup.com

## Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Erste Est.	Prev.	Comment
18. Nov	9:00	CZ	PPI (y/y)	Oct	0.8%	0.6%	The development of industrial producer prices is influenced by the weakness of the German economy and the recent decline in oil prices.
19. Nov		SK	Unemployment Rate	Oct		5.0%	
	10:30	SK	Current Account Balance (monthly)	Sep		-251.30	
	14:00	HU	Central Bank Rate	Nov-24	6.5%	6.5%	Despite lower than expected inflation seen in October, increased volatility of the forint would prevent the MNB from continuing monetary easing process.
20. Nov			No releases scheduled				
21. Nov	10:30	SI	PPI (y/y)	Oct		-0.9%	
	11:00	HR	Unemployment Rate	Oct	4.8%	4.6%	Reversed seasonal pattern is seen pushing unemployment rate slightly up on monthly level
	11:00	HR	Wages (y/y)	Sep		11.9%	
22. Nov	10:30	HU	Wages (y/y)	Sep		13.10%	
	10:30	SI	Wages (y/y)	Sep		4.90%	

Source: Erste Group Research

Note: Past performance is not necessarily indicative of future results

## Forecasts

LCY Government bond yields					
	Friday's close	2024Q4	2025Q1	2025Q2	2025Q3
Czechia 10Y	3.98	3.70	3.63	3.54	3.46
Hungary 10Y	6.56	6.29	5.98	5.89	5.76
Poland 10Y	5.62	5.30	4.90	4.80	4.60
Romania 10Y	7.06	6.95	6.93	6.78	6.65
Serbia 10Y	5.83	4.90	4.80	4.70	4.50

Spreads vs. German Bunds (bps)					
Croatia 10Y	84.00	95.00	90.00	90.00	90.00
Slovakia 10Y	92.00	115.00	110.00	110.00	110.00
Slovenia 10Y	69.00	80.00	80.00	80.00	80.00
DE10Y yields	2.34	2.20	2.10	2.00	2.00

3M Money Market Rate					
	Friday's close	2024Q4	2025Q1	2025Q2	2025Q3
Czechia	3.93	4.07	4.00	3.76	3.50
Hungary	6.50	6.25	6.10	5.85	5.60
Poland	5.85	5.85	5.80	5.60	5.30
Romania	5.58	5.65	5.95	5.70	5.30
Serbia	4.78	4.82	4.61	4.19	3.98
Eurozone	3.00	3.09	2.86	2.64	2.40

Real GDP growth (%)				
	2022	2023	2024f	2025f
Croatia	7.3	3.3	3.5	2.9
Czechia	2.9	0.0	1.0	2.7
Hungary	4.3	-0.9	0.5	2.0
Poland	5.6	0.2	2.8	3.3
Romania	4.0	2.4	0.8	2.8
Serbia	2.6	3.8	4.0	4.5
Slovakia	0.4	1.4	2.0	2.0
Slovenia	2.5	1.6	1.5	2.0
CEE8 avg	4.3	0.8	1.9	2.9

Public debt (% of GDP)				
	2022	2023	2024f	2025f
Croatia	68.5	61.8	59.1	58.2
Czechia	42.5	42.4	43.5	44.2
Hungary	74.1	73.5	73.1	72.5
Poland	49.2	49.6	54.0	58.0
Romania	47.5	48.8	52.4	54.2
Serbia	52.5	48.1	47.7	47.4
Slovakia	57.7	56.1	58.3	58.9
Slovenia	72.3	69.2	68.5	67.5
CEE8 avg	52.5	52.2	54.7	56.6

FX					
	Friday's close	2024Q4	2025Q1	2025Q2	2025Q3
EURCZK	25.25	24.80	24.52	24.44	24.40
EURHUF	408.07	405.00	405.00	408.00	410.00
EURPLN	4.32	4.25	4.30	4.30	4.30
EURRON	4.97	5.00	5.02	5.05	5.07
EURRSD	116.87	117.10	117.10	117.00	117.00
EURUSD	1.05	1.05	1.07	1.09	1.09

Key Interest Rate (deposit facility in Eurozone)					
	Friday's close	2024Q4	2025Q1	2025Q2	2025Q3
Czechia	4.00	4.00	4.00	3.75	3.50
Hungary	6.50	6.25	6.00	5.75	5.50
Poland	5.75	5.75	5.75	5.25	5.00
Romania	6.50	6.50	6.50	6.25	6.00
Serbia	5.75	5.75	5.50	5.00	4.75
Eurozone	3.25	3.00	2.75	2.50	2.25

Average inflation (%)				
	2022	2023	2024f	2025f
Croatia	10.8	8.1	2.9	2.5
Czechia	15.1	10.7	2.5	2.5
Hungary	14.5	17.6	3.6	3.9
Poland	14.4	11.4	3.8	3.9
Romania	13.7	10.5	5.6	3.7
Serbia	11.9	12.5	4.7	3.7
Slovakia	12.8	10.5	2.8	4.6
Slovenia	8.8	7.4	2.1	2.3
CEE8 avg	13.9	11.5	3.8	3.6

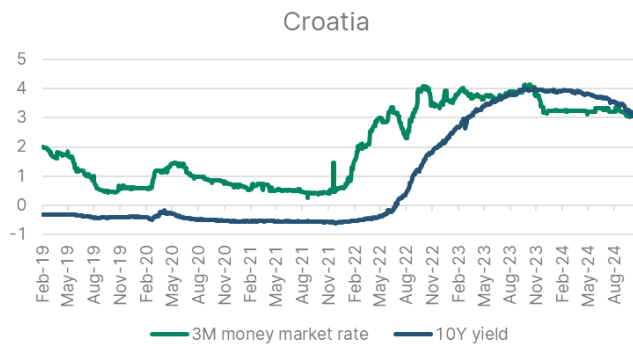
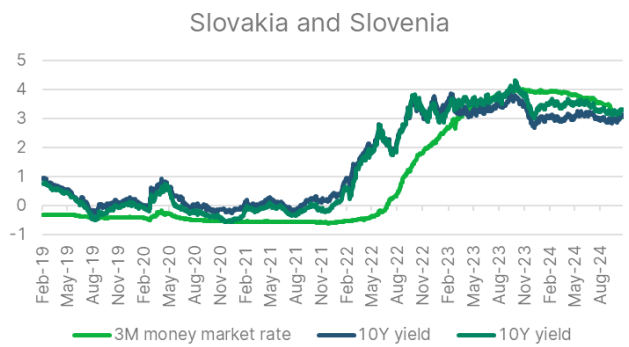
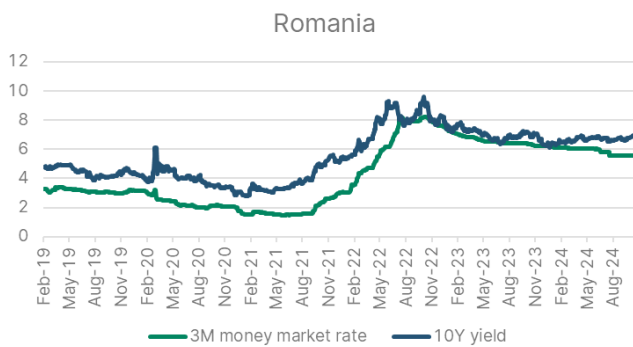
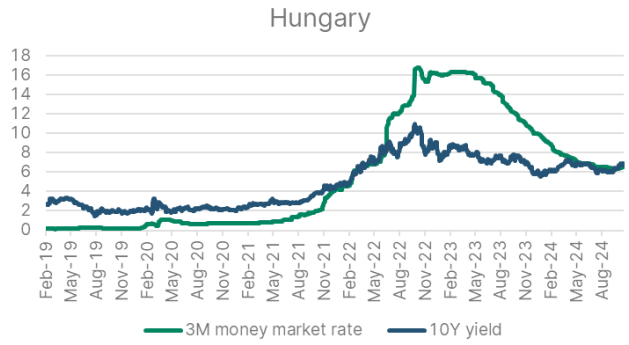
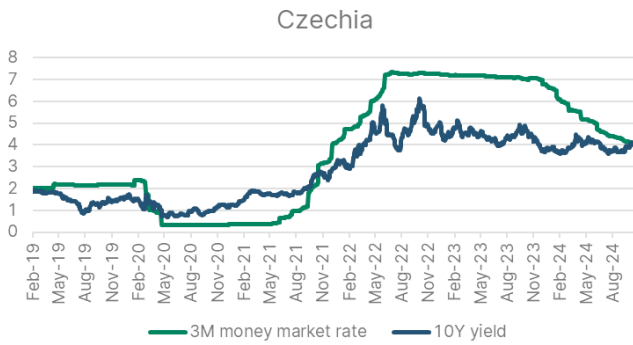
C/A (%GDP)				
	2022	2023	2024f	2025f
Croatia	-3.5	0.4	0.1	-0.3
Czechia	-5.9	1.2	0.5	0.8
Hungary	-8.5	0.7	2.2	2.1
Poland	-2.2	1.8	0.0	-1.0
Romania	-9.2	-7.0	-8.1	-7.8
Serbia	-6.6	-2.4	-5.6	-5.8
Slovakia	-7.3	-1.6	-0.6	-0.2
Slovenia	-1.1	4.5	3.2	2.8
CEE8 avg	-5.1	-0.2	-1.2	-1.6

Unemployment (%)				
	2022	2023	2024f	2025f
Croatia	7.0	6.1	5.2	5.1
Czechia	2.2	2.6	2.7	3.2
Hungary	3.6	4.1	4.5	3.9
Poland	5.2	5.1	5.1	5.0
Romania	5.6	5.6	5.3	5.3
Serbia	9.4	9.5	8.5	8.2
Slovakia	6.1	5.8	5.5	5.5
Slovenia	4.0	3.7	3.6	3.6
CEE8 avg	4.9	4.9	4.8	4.8

Budget Balance (%GDP)				
	2022	2023	2024f	2025f
Croatia	0.1	-0.9	-2.6	-2.2
Czechia	-3.1	-3.8	-3.1	-2.4
Hungary	-6.2	-6.7	-4.7	-4.4
Poland	-3.7	-5.6	-5.7	-5.8
Romania	-6.3	-6.6	-7.9	-6.0
Serbia	-3.0	-2.1	-2.9	-3.0
Slovakia	-1.7	-5.2	-6.0	-4.5
Slovenia	-3.0	-2.5	-3.0	-2.5
CEE8 avg	-3.9	-5.1	-5.3	-4.7

Source: Bloomberg, Erste Group Research

Appendix



Source: Bloomberg, Erste Group Research

## Group Research

<b>Head of Group Research</b> Friedrich Mostböck, CEFA®, CESGA®	+43 (0)5 0100 11902	<b>GM Retail Products &amp; Business Development</b> Head: Martin Langer	+43 (0)50100 11313
<b>CEE Macro/Fixed Income Research</b> Head: Juraj Kotian (Macro/FI) Katarzyna Rzentarzewska (Fixed income) Jakub Cery (Fixed income)	+43 (0)5 0100 17357 +43 (0)5 0100 17356 +43 (0)5 0100 17384	<b>Corporate Treasury Product Distribution AT</b> Head: Martina Kranzl-Carvell	+43 (0)5 0100 84147
<b>Croatia/Serbia</b> Alen Kovac (Head) Mate Jelić Ivana Rogic	+385 72 37 1383 +385 72 37 1443 +385 72 37 2419	<b>Group Securities Markets</b> Head: Thomas Einramhof	+43 (0)50100 84432
<b>Czech Republic</b> David Navratil (Head) Jiri Polansky Michal Skorepa	+420 956 765 439 +420 956 765 192 +420 956 765 172	<b>Institutional Distribution Core</b> Head: Jürgen Niemeier	+49 (0)30 8105800 5503
<b>Hungary</b> Orsolya Nyeste János Nagy	+361 268 4428 +361 272 5115	<b>Institutional Distribution DACH+</b> Head: Marc Frieberthäuser Bernad Bollhof Andreas Goll Mathias Gindele Ulrich Inhofner Sven Kienzle Rene Klagen Christopher Lampe-Traupe Danijel Popovic Michael Schmotz Christoph Ungerböck Klaus Vosseler	+49 (0)711 810400 5540 +49 (0)30 8105800 5525 +49 (0)711 810400 5561 +49 (0)711 810400 5562 +43 (0)5 0100 85544 +49 (0)711 810400 5541 +49 (0)30 8105800 5521 +49 (0)30 8105800 5523 +49 1704144713 +43 (0)5 0100 85542 +43 (0)5 0100 85558 +49 (0)711 810400 5560
<b>Romania</b> Ciprian Dascalu (Head) Eugen Sinca Dorina Ilasco Vlad Nicolae Ionita	+40 3735 10108 +40 3735 10435 +40 3735 10436 +40 7867 15618	<b>Slovakia</b> Šarlota Šipulová Monika Směliková	+421 2 4862 5619 +421 2 4862 5629
<b>Slovakia</b> Maria Valachyova (Head) Matej Hornak Marian Kocis	+421 2 4862 4185 +421 902 213 591 +421 904 677 274	<b>Institutional Distribution CEE &amp; Insti AM CZ</b> Head: Antun Burić Jaromir Malak	+385 (0)7237 2439 +43 (0)5 0100 84254
<b>Major Markets &amp; Credit Research</b> Head: Rainer Singer Ralf Burchert, CEFA®, CESA® (Sub-Sovereigns & Agencies) Hans Engel (Global Equities) Maurice Jiszda, CEFA®, CFDS® (USA, CHF) Peter Kaufmann, CFA® (Corporate Bonds) Heiko Langer (Financials & Covered Bonds) Stephan Lingnau (Global Equities) Maximilian Mösti (Credit Analyst Austria) Carmen Riefler-Kowarsch (Financials & Covered Bonds) Bernadett Povaszal-Römhild, CEFA®, CESA® (Corporate Bonds) Elena Statelov, CIAA® (Corporate Bonds) Gerald Waiek, CFA® (Eurozone)	+43 (0)5 0100 17331 +43 (0)5 0100 16314 +43 (0)5 0100 19835 +43 (0)5 0100 19630 +43 (0)5 0100 11183 +43 (0)5 0100 85509 +43 (0)5 0100 16574 +43 (0)5 0100 17211 +43 (0)5 0100 19632 +43 (0)5 0100 17203 +43 (0)5 0100 19641 +43 (0)5 0100 16360	<b>Czech Republic</b> Head: Ondrej Čech Milan Bartoš Jan Porvich Pavel Zdichynec	+420 2 2499 5577 +420 2 2499 5562 +420 2 2499 5566 +420 2 2499 5590
<b>CEE Equity Research</b> Head: Henning EBkuchen, CESA® Daniel Lion, CIAA® (Technology, Ind. Goods&Services) Michael Marschallinger, CFA® Nora Nagy (Telecom) Christoph Schultes, MBA, CIAA® (Real Estate) Thomas Unger, CFA® (Banks, Insurance) Vladimira Urbankova, MBA (Pharma) Martina Valenta, MBA	+43 (0)5 0100 19634 +43 (0)5 0100 17420 +43 (0)5 0100 17906 +43 (0)5 0100 17416 +43 (0)5 0100 11523 +43 (0)5 0100 17344 +43 (0)5 0100 17343 +43 (0)5 0100 11913	<b>Institutional Asset Management Czech Republic</b> Head: Petr Holeček Petra Maděrová Martin Peřina David Petráček Blanka Weinerová Petř Valenta <b>Croatia</b> Head: Antun Burić Zvonimir Tukač Ana Tunjić Natalija Zujic <b>Hungary</b> Head: Peter Csizmadia Gábor Bálint Balázs Papay Gergő Szabo <b>Romania</b> Head: Cristian Vasile Pascu	+420 956 765 453 +420 956 765 178 +420 956 765 106 +420 956 765 809 +420 956 765 317 +420 956 765 140 +385 (0)7237 2439 +385 (0)7237 1787 +385 (0)7237 2225 +385 (0)7237 1638 +36 1 237 8211 +36 1 237 8205 +36 1 237 8213 +36 1 237 8209 +40 373 511 695
<b>Croatia/Serbia</b> Mladen Dodig (Head) Boris Pevalek, CFA® Marko Plastic Matej Pretkovic Bruno Barbic Davor Spoljar, CFA® Magdalena Basic	+381 11 22 09178 +385 99 237 2201 +385 99 237 5191 +385 99 237 7519 +385 99 237 1041 +385 72 37 2825 +385 99 237 1407	<b>Group Institutional Equity Sales</b> Head: Michal Řízek Werner Fürst Viktoria Kubalcova Thomas Schneidhofer Oliver Schuster <b>Czech Republic</b> Head: Michal Řízek Jiří Fereš Martin Havian Pavel Krabička <b>Poland</b> Head: Jacek Jakub Langer Tomasz Galanciak Wojciech Wysocki Przemysław Nowosad Maciej Senderek <b>Croatia</b> Matija Tkalicanac <b>Hungary</b> Nandori Levente Krisztian Kandik Balasz Zankay <b>Romania</b> Valerian Ionescu	+420 224 995 537 +43 (0)50100 83121 +43 (0)5 0100 83124 +43 (0)5 0100 83120 +43 (0)5 0100 83119 +420 224 995 537 +420 224 995 554 +420 224 995 551 +420 224 995 411 +48 22 257 5711 +48 22 257 5715 +48 22 257 5714 +48 22 257 5712 +48 22 257 5713 +385 72 37 21 14 + 36 1 23 55 141 + 36 1 23 55 162 + 36 1 23 55 156 +40 3735 16541
<b>Czech Republic</b> Petr Bartek (Head, Utilities) Jan Bystřický	+420 956 765 227 +420 956 765 218	<b>Group Fixed Income Securities Markets</b> Head: Goran Hobljaj	+43 (0)50100 84403
<b>Hungary</b> József Miró (Head) András Nagy Tamás Pletser, CFA® (Oil & Gas)	+361 235 5131 +361 235 5132 +361 235 5135	<b>Fixed Income Flow Sales</b> Head: Gorjan Hobljaj Margit Hrasček Christian Kienesberger Ciprian Mitu Bernad Thaler Zsuzsanna Toth <b>Poland</b> Pawel Kielek Michal Jarmakowicz	+43 (0)5 0100 84403 +43 (0)5 0100 84117 +43 (0)5 0100 84323 +43 (0)5 0100 85612 +43 (0)5 0100 84119 +36 1 237 8209 +48 22 538 6223 +43 50100 85611
<b>Poland</b> Cezary Bernatek (Head) Piotr Bogusz Łukasz Jańczak Krzysztof Kawa, CIAA® Jakub Szkopek	+48 22 257 5751 +48 22 257 5755 +48 22 257 5754 +48 22 257 5752 +48 22 257 5753	<b>Fixed Income Flow Trading</b> Head: Gorjan Hobljaj	+43 (0)5 0100 84403
<b>Romania</b> Caius Rapanu	+40 3735 10441	<b>Group Fixed Income Securities Trading</b> Head: Goran Hobljaj	+43 (0)50100 84403
<b>Group Markets</b>		<b>Group Equity Trading &amp; Structuring</b> Head: Ronald Nemeč	+43 (0)50100 83011
<b>Head of Group Markets</b> Oswald Huber	+43 (0)5 0100 84901	<b>Business Support</b> Bettina Mahoric	+43 (0)50100 86441
<b>Group Markets Retail and Agency Business</b> Head: Christian Reiss	+43 (0)5 0100 84012		
<b>Markets Retail Sales AT</b> Head: Markus Kaller	+43 (0)5 0100 84239		
<b>Group Markets Execution</b> Head: Kurt Gerhold	+43 (0)5 0100 84232		
<b>Retail &amp; Sparkassen Sales</b> Head: Uwe Kolar	+43 (0)5 0100 83214		
<b>Markets Retail Sales CZ</b> Head: Roman Choc	+420 956 765 374		
<b>Markets Retail Sales HUN</b> Head: Peter Kishazi	+36 1 23 55 853		

## Disclaimer

This publication was prepared by Erste Group Bank AG or any of its consolidated subsidiaries (together with consolidated subsidiaries "Erste Group") independently and objectively as general information. This publication serves interested investors as additional source of information and provides general information, information about product features or macroeconomic information without emphasizing product selling marketing statements.

This publication does not constitute a marketing communication pursuant to Art. 36 (2) delegated Regulation (EU) 2017/565 as no direct buying incentives were included in this publication, which is of information character. This publication provides only other information without making any comment, value judgement or suggestion on its relevance to decisions, which an investor may make and is therefore also no recommendation. Thus, this publication does not constitute investment research pursuant to Art. 36 (1) delegated Regulation (EU) 2017/565. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to the prohibition on dealing ahead of the dissemination of investment research. The information only serves as non-binding and additional information and is based on the level of knowledge of the person in charge of drawing up the information on the respective date of its preparation. The content of the publication can be changed at any time without notice.

This publication does not constitute or form part of, and should not be construed as, an offer, recommendation or invitation for a transaction in any financial instrument or connected financial instruments, and neither this publication nor anything contained herein shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or inclusion of a financial or connected financial instrument in a trading strategy.

Information provided in this publication is based on publicly available sources which Erste Group considers as reliable, however, without verifying any such information by independent third persons. While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, Erste Group (including its representatives and employees) neither expressly nor tacitly makes any guarantee as to or assumes any liability for the up-to-dateness, completeness and correctness of the content of this publication.

Erste Group may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that Erste Group endorses, recommends or approves any material on the linked page or accessible from it.

Neither a company of Erste Group nor any of its respective managing directors, supervisory board members, executive board members, directors, officers of other employees shall be in any way liable for any costs, losses or damages (including subsequent damages, indirect damages and loss of profit) howsoever arising from the use of or reliance on this publication.

Any opinion, estimate or projection expressed in this publication reflects the current judgment of the author(s) on the date of publication of this document and does not necessarily reflect the opinions of Erste Group. They are subject to change without prior notice. Erste Group has no obligation to update, modify or amend this publication or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

The past performance of a financial or connected financial instrument is not indicative for future results. No assurance can be given that any financial instrument or connected financial instrument or issuer described herein would yield favorable investment results or that particular price levels may be reached. Forecasts in this publication are based on assumptions which are supported by objective data. However, the used forecasts are not indicative for future performance of financial instruments incl. connected financial instruments.

Erste Group, principals or employees may have a long or short position or may transact in financial instrument(s) incl. connected financial instruments referred to herein or may trade in such financial instruments with other customers on a principal basis. Erste Group may act as a market maker in financial instruments, connected financial instruments or companies resp. issuers discussed herein and may also perform or seek to perform investment services for those companies resp. issuers. Erste Group may act upon or use the information or conclusion contained in this publication before it is distributed to other persons.

This publication is subject to the copyright of Erste Group and may not be copied, distributed or partially or in total provided or transmitted to unauthorized recipients. By accepting this publication, a recipient hereof agrees to be bound by the foregoing restrictions.

Erste Group is not registered or certified as a credit agency in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the Credit Rating Agencies Regulation). Any assessment of the issuers creditworthiness does not represent a credit rating pursuant to the Credit Rating Agencies Regulation. Interpretations and analysis of the current or future development of credit ratings are based upon existing credit rating documents only and shall not be considered as a credit rating itself.

© Erste Group Bank AG 2024. All rights reserved.

### 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**

Erste Group Homepage: [www.erstegroup.com](http://www.erstegroup.com)