

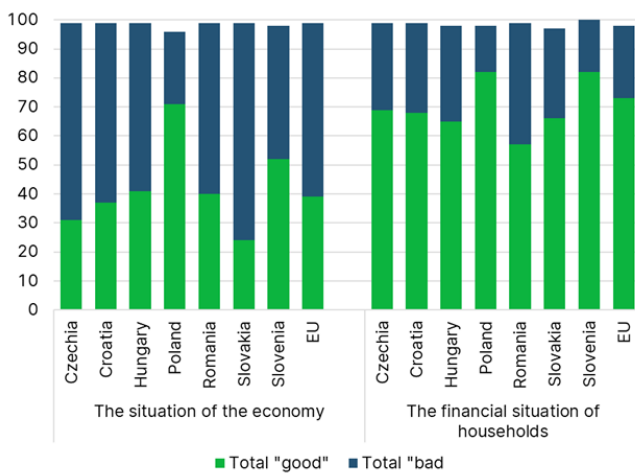
CEE MACRO AND FI DAILY

CEE population unhappy with the economy, but satisfied with their financial situation

On the Radar

- In Serbia, 3Q24 GDP growth was confirmed at 3.1% y/y.
- In Romania, producer prices declined by -3.3% y/y in October
- In Hungary, final 3Q24 GDP growth was confirmed at -0.8% y/y (not seasonally adjusted) and -0.7% y/y (seasonally adjusted).
- No other releases are scheduled for today.

Eurobarometer, Oct-Nov 2024

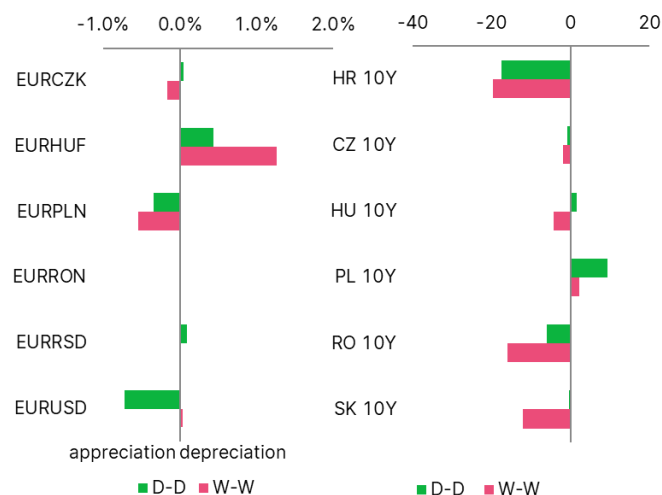


Source: Erste Group Research

Economic developments

The latest Eurobarometer report states that 51% of Europeans tend to trust the European Union, the highest result since 2007. More importantly, 69% agree that the European Union is a place of stability. The common currency, the euro, also garnered the highest support ever with 74% of Europeans in the whole EU and 81% of Europeans in favor. Defense and migration remain key issues. Zooming in on the economic situation, 39% of Europeans evaluate it as very good or good. In the region, the economic situation in Slovakia, Czechia, and Croatia was evaluated worse compared to the EU average, with Slovaks being the most pessimistic as 75% assessed the economic situation as bad or very bad, the highest result in the region. On the other hand, Poland stands out as having the best economic conditions, with as much as 71% of people seeing it as good or very good. Poland and Romania saw a substantial improvement in evaluation compared to the spring results. When it comes to the financial conditions of households or job situation, all countries in the region are optimistic to a greater extent compared to the assessment of the whole economy. In most of the CEE countries, between 60% and 70% see the financial situation of households as good overall. Poland and Slovenia stand out, with 82% being satisfied with the current financial situation.

Market performance



Source: Erste Group Research

Market developments

Preliminary information on the distribution of mandates in the new parliament in Romania suggests a coalition between PSD and PNL and ethnic Hungarians, as well as other minorities, with 53.5% of seats in the Chamber of Deputies and 50.7% in the Senate. This is roughly the same coalition as the present one, which should ensure some political stability in Romania. Furthermore, the current Romanian government plans to raise the budget deficit target for 2024 to 8.58% of GDP from 6.9%, which was the official target after the last budget revision. This would mean an additional RON 14.7bn to the gross funding needs for this year, as opposed to the market consensus of the budget gap at 7.9% of GDP. As far as the presidential race is concerned, the Romanian Constitutional Court rejected a challenge to the first-round vote, for which it had ordered a recount but opted against forcing a repeat. In Poland, the central bank begins its two-day rate-setting meeting, with decisions due Wednesday. We do not expect any change. On the FX market, we see the continuation of recent trends with the Hungarian forint depreciating further against the euro after Moody's changed the outlook to negative last Friday. Long-term yields have continued to decline.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
03. Dec	08:00	RO	PPI (y/y)	Oct			-1.65%
	08:30	HU	GDP (q/q)	3Q F	-0.70%		-0.70%
	08:30	HU	GDP (y/y)	3Q F	-0.80%		-0.80%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.23	0.0	-0.2
EUR/HUF	414.24	0.4	1.3
EUR/PLN	4.28	-0.3	-0.5
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.89	0.1	0.0
EUR/USD	1.05	-0.7	0.0

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.89	0	0
HUF	6.50	0	0
PLN	5.85	0	0
RON	5.92	-1	11
RSD	4.70	-1	-3
EUR	2.92	-1	-6

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.88	-1	-2
HU 10Y	6.16	2	-4
PL 10Y	5.56	9	2
RO 10Y	7.23	-6	-16
HR 10Y	3.02	-17	-20
SK 10Y	3.00	0	-12

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