

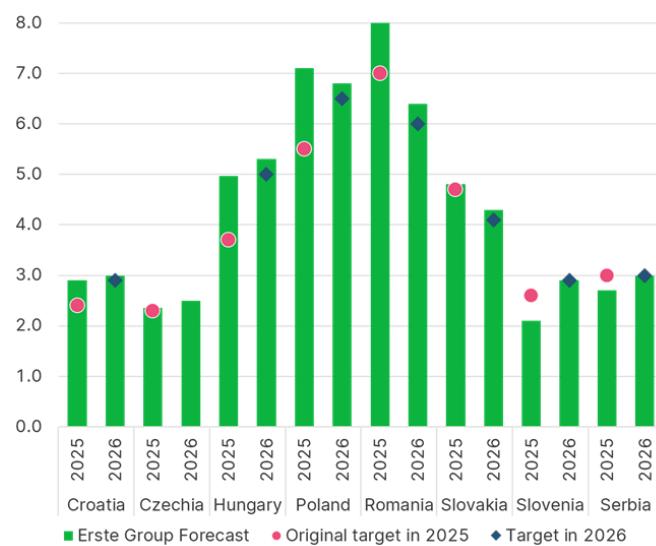
CEE MACRO AND FI DAILY

Consolidation only in Romania and Slovakia

On the Radar

- Serbia's central bank left key policy rate unchanged, while December's inflation eased to 2.7% y/y
- Industrial output declined in Hungary by -5.4% y/y, more than expected.
- Hungary published December's inflation at 3.3% y/y.
- At 9 AM CET Czechia will publish details on inflation and will release current account data at 10 AM CET as well.
- Croatia is scheduled to publish producer prices at 11 AM CET.
- In the afternoon, at 2 PM, Poland will release trade data and current account balance.

Forecasted deficits vs. targets, % of GDP

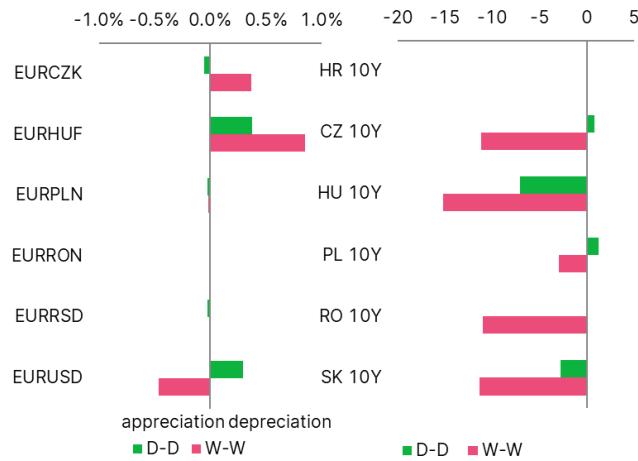


Economic developments

Today, we share the findings from the latest CEE Bond Report [EU loans ease pressure on funding](#). On the fiscal front, Croatia and Slovenia eased their fiscal targets for 2026, and they remain below 3% of GDP. Czechia is waiting for budget approval by the new government, but no big deterioration in the overall fiscal balance is expected, due to the positive effect of surpluses of municipalities. Romania's deficit in 2025 could end up close to 8% of GDP, thus lower than the government's target of 8.4% or the record-high deficit reported in 2024 (9.3%). The government is committed to consolidating further, aiming to bring the deficit close to 6% of GDP this year. Hungary and Poland missed their deficit targets by a large margin in 2025 and relaxed these targets in 2026. We expect them to miss those as well. As far as gross issuance is concerned, gross financing needs in CEE countries declined compared to last year, with the exceptions of Hungary and Serbia. Finally, CEE countries have a last chance to draw loans from the RRF program, which expires in 2026. These funds have made a mark on reported deficits once spent but provide a much cheaper alternative to foreign issuance for countries that normally pay a higher spread.

Source: Erste Group Research

Market performance



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Market developments

Serbia's central bank kept the policy rate unchanged at 5.75% as was broadly expected. At this point the unresolved situation (though stabilized) around the NIS might have been holding central bank back as inflation has declined recently. Today, Poland's central bank begins the interest rate meeting with decision due Wednesday. In Czechia, the coalition government will seek vote of confidence in parliament with vote expected on Wednesday only. While the Czech koruna strengthened marginally on Monday, the Hungarian forint and the Polish zloty remain weaker against the euro at the beginning of the week. Long-term yields continue to decline across the region apart from Poland.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
13. Jan	08:30	HU	CPI (y/y)	Dec	3.30%	3.20%	3.80%
	08:30	HU	CPI (m/m)	Dec		-0.10%	0.10%
	09:00	CZ	CPI (y/y)	Dec F	2.10%		2.10%
	09:00	CZ	CPI (m/m)	Dec F	-0.30%		-0.30%
	11:00	HR	PPI (y/y)	Dec			2.00%
	14:00	PL	Trade Balance	Nov	-499.60		553.00
14. Jan		PL	Central Bank Rate	Jan 26	4.00%	4.00%	4.00%
		RO	Current Account Balance (monthly)	Nov			-24636.00
	08:00	RO	CPI (y/y)	Dec	9.73%	9.77%	9.76%
	08:00	RO	CPI (m/m)	Dec	0.26%	0.29%	0.42%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.25	-0.1	0.4
EUR/HUF	386.91	0.4	0.9
EUR/PLN	4.21	0.0	0.0
EUR/RON	5.09	0.0	0.0
EUR/RSD	117.17	0.0	0.0
EUR/USD	1.17	0.3	-0.5

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.51	0	-1
HUF	6.39	-2	-8
PLN	3.95	1	-2
RON	6.06	-4	-8
RSD	4.68	0	0
EUR	2.02	0	-1

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.33	1	-11
HU 10Y	6.62	-7	-15
PL 10Y	5.08	1	-3
RO 10Y	6.64	0	-11
HR 10Y	3.21	0	0
SK 10Y	3.39	-3	-11

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