

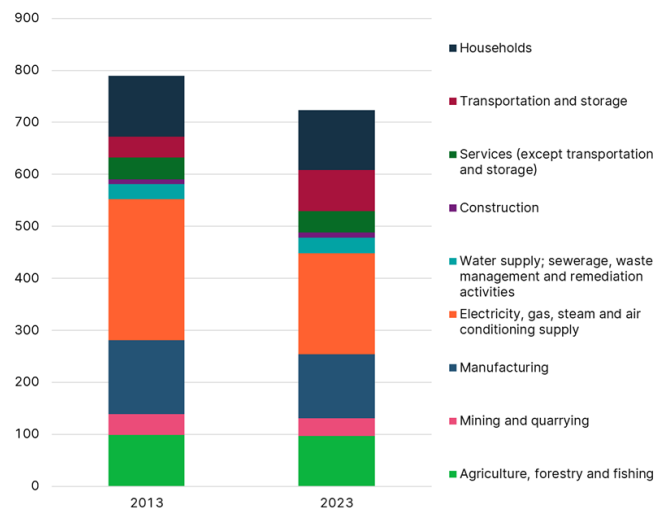
CEE MACRO AND FI DAILY

All CEE countries reduced greenhouse emissions

On the Radar

- Central bank in Romania kept the policy rate unchanged.
- Growth of net wages reached 13.1% y/y in Romania in November.
- At 11 AM CET Croatia will publish final reading of December's inflation. In Poland final reading was corrected to 4.7% in December (down from 4.8% flash estimate).
- In the afternoon, Polish central bank will announce interest rate decision, and we expect no change.

Greenhouse emissions in CEE, CO2 millions of tons equivalent

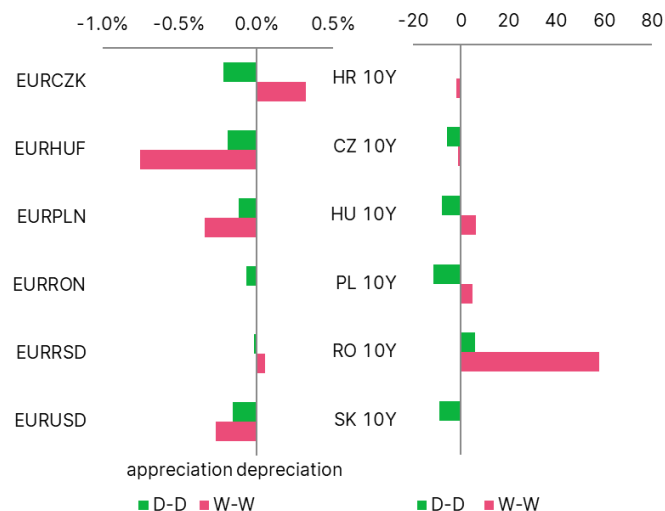


Source: Erste Group Research

Economic developments

In 2023, greenhouse gas emissions from economic activities and households in the European Union totaled 3.4 billion tons of CO2 equivalents, representing an 18% reduction compared to 2013. In the CEE7 region (excluding Serbia as no data is available for 2023), greenhouse gas emissions from economic activities and households totaled 723 million tons of CO2 equivalents, marking an 8.4% decrease over the last decade. The pace of greenhouse gas reduction is thus slower compared to the whole EU. Looking within the region, Hungary reduced greenhouse emissions by the lowest percentage (3.4%) over the last ten years, while Czechia and Slovenia outperformed with a decline of more than 16%. The reduction of emissions took place mostly in mining and quarrying, manufacturing, or electricity and gas supply. On the other hand, the construction sector, as well as transportation and storage, experienced an increase in greenhouse gas emissions in most CEE countries. As far as households are concerned, an increase in greenhouse gas emissions was observed in Croatia, Hungary, and most noticeably in Romania (by almost 30% over the last ten years).

Market performance



Source: Erste Group Research

Market developments

In the markets, the Central Bank in Romania has decided to keep the interest rates unchanged at the first meeting of 2025. Consequently, the key rate remains at 6.50%. We expect NBR to resume cutting rates in August and deliver three key rate cuts of 25bp each to 5.75% by the end of 2025. However, the timing of the next rate cut remains tied to a coherent and credible multiannual fiscal consolidation program and its structure. Today, the Polish central bank will announce its interest rate decision, and we expect no change in the key policy rate. The press conference of Governor Glapinski (scheduled for Friday) should be more interesting to follow given his recent change of heart regarding monetary easing. Polish Prime Minister Tusk announced that Poland will make an effort to speed up talks about Ukraine's accession to the EU. On the FX market, we see EURHUF moving down to 411 and EURPLN to 4.25. On the other hand, the Czech koruna has weakened against the euro since the beginning of the week. Apart from Romania, where long-term yields moved up by 15 basis points since the beginning of the week, in other countries, we see some correction and 10Y yields declining marginally.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
16. Jan		PL	Central Bank Rate	Jan 25	5.75%	5.75%	5.75%
		RS	Current Account Balance (monthly)	Nov			-459.90
	08:00	RO	Wages (y/y)	Nov			12.28%
	11:00	HR	CPI (y/y)	Dec F			3.40%
	11:00	HR	CPI (m/m)	Dec F			0.10%
17. Jan	09:00	CZ	PPI (y/y)	Dec	2.40%	2.00%	1.70%
	10:30	SK	Current Account Balance (monthly)	Nov			-303.10

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.19	-0.2	0.3
EUR/HUF	410.99	-0.2	-0.8
EUR/PLN	4.26	-0.1	-0.3
EUR/RON	4.97	-0.1	0.0
EUR/RSD	116.99	0.0	0.1
EUR/USD	1.03	-0.2	-0.3

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.89	0	-3
HUF	6.50	0	0
PLN	5.84	0	0
RON	5.92	0	1
RSD	4.70	0	1
EUR	2.75	-1	-3

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.12	-6	-1
HU 10Y	6.89	-8	6
PL 10Y	5.96	-11	5
RO 10Y	7.91	6	58
HR 10Y	3.10	0	-2
SK 10Y	3.35	-9	0

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