

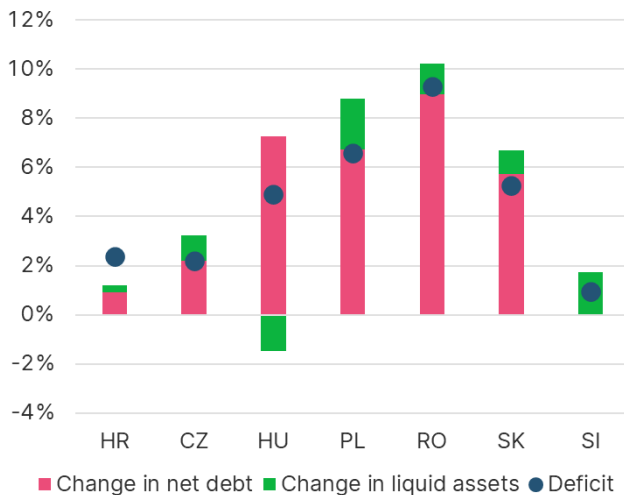
CEE MACRO AND FI DAILY

Hungary has reduced its cash buffer

On the Radar

- March retail sales in Poland arrived at -0.3% y/y.
- Today, unemployment data will be released in Poland.
- There are no other releases scheduled.

Fiscal deficits vs. change in net debt (% of 2024 GDP)

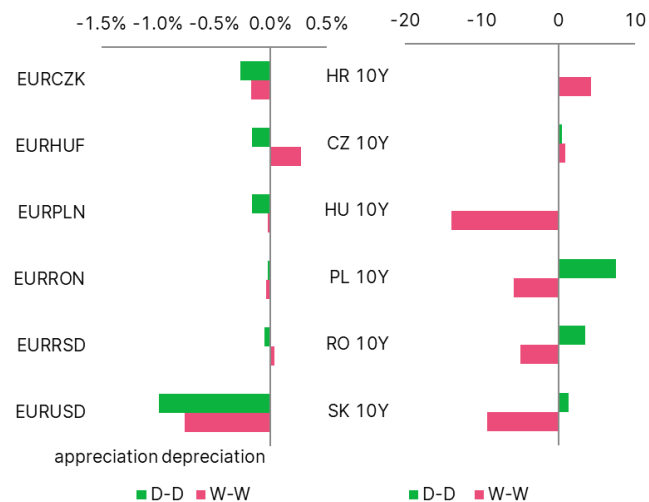


Source: Erste Group Research

Economic developments

Earlier this week, Eurostat published government finance statistics for EU member countries in 2024. These statistics included the official general government balance (deficits in ESA), a breakdown of revenues and expenditures, gross public debt, and a breakdown of financial assets and liabilities. Croatia, Czechia, and Slovenia reported deficits well below 3% of GDP. In contrast, Hungary and Slovakia's deficits were close to 5% of GDP, Poland's deficit jumped to 6.6% of GDP, and Romania surprised with deficit at 9.3% of GDP, the highest in the EU. Changes in gross public debts (net debt + liquid financial assets) surpassed deficits, as all countries except Hungary bolstered their liquid financial assets alongside increased net debt. Hungary was the only CEE country to reduce its cash buffer in 2024, bringing it to the lowest level in the region (6.5% of GDP). It appears that cash deficits did not differ significantly from reported accrual deficits, as the increase in net debt nearly matched the deficit. Hungary was the only CEE country where the change in net debt was noticeably higher than the deficit. This discrepancy could be explained by the revaluation of the FX portion of government debt due to forint depreciation and acquisition of shares and equity (i.e. Budapest airport), which are not considered liquid financial assets.

Market performance



Source: Erste Group Research

Analyst:

Jakub Cery
+43 (0)5 0100 17338
jakub.cery@erstegroup.com

Analyst:

Juraj Kotian
+43 (0)5 0100 17357
juraj.kotian@erstegroup.com

Market developments

CEE currencies appreciated as the U.S. administration acknowledged that the current stance on China tariffs is unsustainable and will be softened. The Czech koruna surged below the 25 level against the euro, while the Hungarian forint and Polish zloty rebounded to 408.25 and 4.28 versus the euro, respectively. Bond markets remained relatively calm, with only 10-year POLGBs showing some correction after last week's rally. In Czechia, the Deputy Governor of the CNB, Mr. Frait, provided an interview to local media, sharing his views on monetary policy challenges related to tariffs. He expressed his opinion that inflation and wage pressures may ease, allowing central banks to continue lowering their rates.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
23. Apr	10:00	PL	Retail Sales (y/y)	Mar			0.60%
24. Apr	10:00	PL	Unemployment Rate	Mar			5.40%
25. Apr	08:30	HU	Unemployment Rate	Mar			4.40%
	12:00	RS	Wages (y/y)	Feb			7.20%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.97	-0.3	-0.2
EUR/HUF	408.25	-0.2	0.3
EUR/PLN	4.28	-0.2	0.0
EUR/RON	4.97	0.0	0.0
EUR/RSD	117.10	-0.1	0.0
EUR/USD	1.13	-1.0	-0.8

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.66	-1	-1
HUF	6.50	0	0
PLN	5.48	-1	-5
RON	5.90	0	1
RSD	4.68	0	0
EUR	2.16	-3	-8

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.06	0	1
HU 10Y	6.96	0	-14
PL 10Y	5.21	7	-6
RO 10Y	7.39	3	-5
HR 10Y	3.14	0	4
SK 10Y	3.43	1	-9

Group Research

Head of Group Research Friedrich Mostböck, CEFA®, CESGA®	+43 (0)5 0100 11902	Group Treasury Markets Head: Valentin Popovici	+43 (0)5 0100 85882
CEE Macro/Fixed Income Research 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	MM Trading Head: Philippe Quintans de Soure	+43 (0)5 0100 84424
Croatia/Serbia Alen Kovac (Head) Mate Jelić Ivana Rogić	+385 72 37 1383 +385 72 37 1443 +385 72 37 2419	Collateral Trading, Management and Optimisation Head: Danijela Lukic	+43 (0)5 0100 84983
Czech Republic David Navrátil (Head) Jiri Polansky Michal Skorepa	+420 956 765 439 +420 956 765 192 +420 956 765 172	Interest Rates and FX Options Trading Head: Martin Sramko	+43 (0)5 0100 84924
Hungary Orsolya Nyeste János Nagy	+361 268 4428 +361 272 5115	FX Trading & Corporate Treasury Sales Head: Valentin Popovici	+43 (0)5 0100 85882
Romania Ciprian Dascalu (Head) Ioana Birlean Eugen Sinca Vlad Nicolae Ionita	+40 3735 10108 +40 730 587 086 +40 3735 10435 +40 7867 15618	E-FX Trading Head: Helmut Kroboth	+43 (0)5 0100 84652
Slovakia Maria Valachyova (Head) Matej Hornak Marian Kocis	+421 2 4862 4185 +421 902 213 591 +421 904 677 274	CEE FX Trading Head: Juraj Zabadal	+420 224 995 553
Major Markets & Credit Research Head: Rainer Singer Ralf Burchert, CEFA®, CESGA® (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 Möstl (Credit Analyst Austria) Carmen Riefler-Kowarsch (Financials & Covered Bonds) Bernadett Povaszai-Römhild, CEFA®, CESGA® (Corporate Bonds) Elena Statelov, CIIA® (Corporate Bonds) Gerald Walek, 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	Markets Corporate Sales AT Head: Martina Kranzl-Carvell Markets Corporate Sales HUN Head: Adam Farago Markets Corporate Sales CRO Head: Neven Radaković Markets Corporate Sales CZ Head: Tomas Pícek Markets Corporate Sales RO Head: Bogdan Ionut Cozma Markets Corporate Sales SK Head: Lubomir Hladik Group Securities Markets Head: Thomas Einramhof Institutional Distribution Core Head: Jürgen Niemeier Institutional Distribution CEE & Insti AM CZ Head: Antun Burić Institutional Distribution DACH+ Head: Marc Frieberthäuser Institutional Asset Management CZ Head: Petr Holeček	+43 (0)5 0100 84147 +361 237 8202 +385 (0)72 37 1385 +420 224 995 511 +40 731 680 257 +421 2 4862 5622 +43 (0)50100 84432 +49 (0)30 8105800 5503 +385 72 37 2439 +49 (0)711 810400 5540 +420 956 765 453
CEE Equity Research Head: Henning Ebkuchen, CESGA® Daniel Lion, CIIA® (Technology, Ind. Goods&Services) Michael Marschallinger, CFA® Nora Nagy (Telecom) Christoph Schuites, MBA, CIIA® (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	Group Institutional Equity Sales Head: Michal Řízek Werner Fürst Viktoria Kubalcova Thomas Schneidhofer Oliver Schuster Czech Republic Head: Michal Řízek Jakub Brukner Martin Havlan Pavel Krabička Poland Head: Jacek Jakub Langer Tomasz Galanciak Wojciech Wysocki Przemyslaw Nowosad Croatia Matija Tkalićanac Hungary Nandori Levente Krisztian Kandik Balasz Zankay Romania Adrian Barbu	+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 +420 731 423 294 +420 224 995 551 +420 224 995 411 +48 22 257 5711 +48 22 257 5715 +48 22 257 5714 +48 22 257 5712 +385 72 37 21 14 + 36 1 23 55 141 + 36 1 23 55 162 + 36 1 23 55 156 +40 7305 18635
Croatia/Serbia Mladen Dodig (Head) Boris Pevalek, CFA® Marko Plastic Bruno Barbic, CFA® Davor Spoljar, CFA® Magdalena Basic	+381 11 22 09178 +385 99 237 2201 +385 99 237 5191 +385 99 237 1041 +385 72 37 2825 +385 99 237 1407	Group Fixed Income Securities Markets Head: Goran Hobljaj	+43 (0)50100 84403
Czech Republic Petr Bartek (Head, Utilities) Jan Bystřický	+420 956 765 227 +420 956 765 218	Fixed Income Flow Sales Head: Goran Hobljaj Bernd Thaler	+43 (0)5 0100 84403 +43 (0)5 0100 84119
Hungary József Miró (Head) András Nagy Tamás Pletser, CFA® (Oil & Gas)	+361 235 5131 +361 235 5132 +361 235 5135	Group Fixed Income Securities Trading Head: Goran Hobljaj Credit Trading Head: Christoph Fischer-Antze CEE Rates Trading Head: Peter Provotíak Euro Government Bonds Trading Head: Gottfried Ziniel	+43 (0)50100 84403 +43 (0)50100 84332 +420 224 995 512 +43 (0)50100 84333
Poland Cezary Bernatek (Head) Piotr Bogusz Łukasz Jańczak Jakub Szkopek Krzysztof Tkocz	+48 22 257 5751 +48 22 257 5755 +48 22 257 5754 +48 22 257 5753 +48 22 257 5752	Group Equity Trading & Structuring Head: Ronald Nemec	+43 (0)50100 83011
Romania Caius Rapanu Ilie Pascalluta	+40 3735 10441 +40 7305 87324	Group Markets Financial Institutions Manfred Neuirth	+43 (0)50100 84250
Group Markets Head: Oswald Huber	+43 (0)5 0100 84901	Group Financial Institutions Head bis 30.4.25: Christian Wolf Head ab 1.5.25: Christina Linzer	+43 (0)50100 12776 +43 (0)50100 13049
Group Markets Retail and Agency Business Head: Martin Langer	+43 (0)5 0100 11313	Group Non-Bank Financial Institutions Head: Michael Aschauer	+43 (0)50100 14090
Markets Retail Sales AT Head: Markus Kaller Group Markets Execution Head: Kurt Gerhold Retail & Sparkassen Sales Head: Uwe Kolar Markets Retail Sales & PM SK Monika Pálová Markets Retail Sales HUN Head: Peter Kishazi Markets Retail Sales CZ Head: Martin Vlcek Markets Retail Sales & PM CRO Head: Neven Radaković Head: Tamas Nagy Markets Retail Sales & PM RO Head: Laura Hexan GM Retail Products & Business Development Head: Michael Tröthann	+43 (0)5 0100 84239 +43 (0)5 0100 84232 +43 (0)5 0100 83214 +421 911 891 098 +36 1 23 55 853 +420 956 765 374 +385 (0)72 37 1385 +385 (0)72 37 2461 +40 7852 47110 +43 (0)50100 11303		

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 or 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.

For U.S. persons only: This research report is a product of Erste Group Bank AG under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. Research reports are intended for distribution by only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Erste Group Bank AG has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer

© Erste Group Bank AG 2025. 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