

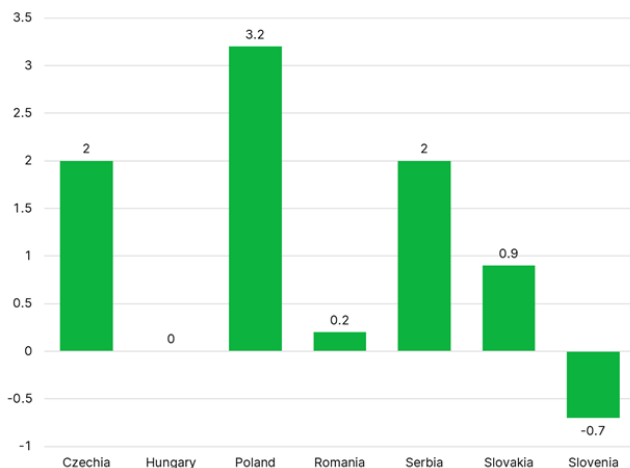
CEE MACRO AND FI DAILY

Q1 growth data mostly disappointed

On the Radar

- Poland's 1Q25 GDP landed at 3.2% y/y while Slovenia contracted by -0.7% y/y in 1Q25.
- April's inflation in Poland was marginally revised up to 4.3%.
- Today, Romanian central bank holds a rate setting meeting.
- Final inflation number will be published in Croatia at 11 AM CET.
- In the afternoon Poland releases core inflation.

Flash 1Q25 GDP growth, y/y percent

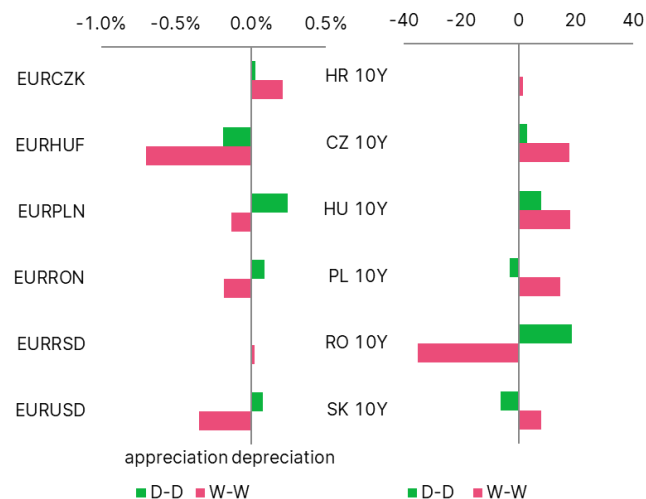


Source: Erste Group Research

Economic developments

Apart from Croatia, all other CEE countries published 1Q25 flash GDP data. Unfortunately, there were more unpleasant surprises than good news. Only Czechia and Poland expanded in line with expectations and with solid growth dynamics (2.0% y/y and 3.2% y/y accordingly). The rest of the region grew at a much slower pace or not at all. In q/q terms, Hungarian economy contracted, while Romanian economy stagnated. That translated into no growth in annual terms in Hungary and meager 0.2% y/y expansion in Romania. Slovenia's GDP declined by -0.7% y/y - first negative growth rate since 4Q20. Serbia and Slovakia grew in annual terms, yet the growth dynamics fell short of expectations. All in all, we already slashed the growth forecasts in Hungary (to 0.8% in 2025) and in Serbia (to 3.1% this year) while in Romania, Slovenia or Slovakia the risks remain skewed to the downside. The structure of the GDP will be published only at the end of May and beginning of June.

Market performance



Source: Erste Group Research

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Market developments

The Romania's central bank is widely seen keeping interest rates unchanged at today's meeting. The key rate has been at 6.50% since August last year and we expect it to remain unchanged at least until August this year. On Sunday, the second round of presidential election in Romania will take place and the outcome is likely to impact the markets. Political uncertainty already left its mark on both FX market (depreciation of Romanian leu) and bond market (10Y yields close to 8%). Poland will vote in the first round of presidential elections at the same day. Elsewhere on the FX market we have seen strengthening of the Hungarian forint this week (EURHUF at 402) while Polish zloty has weakened since the beginning of the week.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
16. May		RO	Central Bank Rate	May 16	6.50%	6.50%	6.50%
	09:00	CZ	PPI (y/y)	Apr	-0.88%	-1.00%	-0.30%
	11:00	HR	CPI (y/y)	Apr F			3.10%
	11:00	HR	CPI (m/m)	Apr F			0.60%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.92	0.0	0.2
EUR/HUF	402.37	-0.2	-0.7
EUR/PLN	4.24	0.2	-0.1
EUR/RON	5.11	0.1	-0.2
EUR/RSD	117.13	0.0	0.0
EUR/USD	1.12	0.1	-0.3

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.50	-1	-13
HUF	6.50	0	0
PLN	5.24	-1	-9
RON	7.29	9	4
RSD	4.68	0	0
EUR	2.13	-2	-1

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.22	3	18
HU 10Y	7.06	8	18
PL 10Y	5.38	-3	15
RO 10Y	8.10	19	-35
HR 10Y	3.04	0	1
SK 10Y	3.50	-6	8

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