

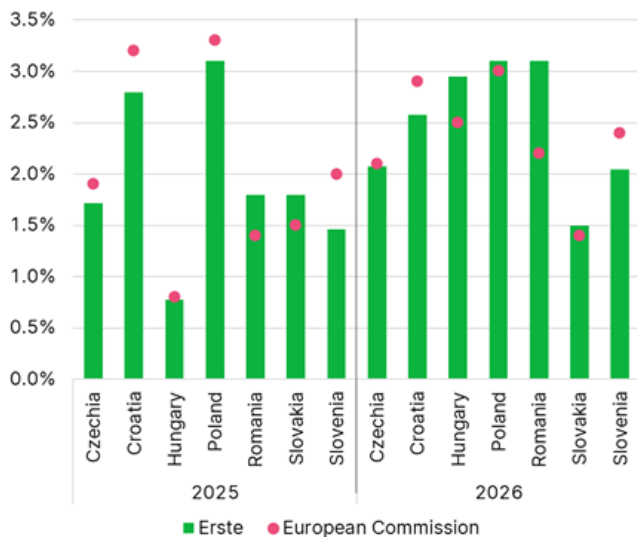
CEE MACRO AND FI DAILY

# The European Commission releases new forecasts

## On the Radar

- PPI in Czechia was released at -1.3% y/y in April.
- Today, Slovakia will publish wage growth and current account balance.
- There are no other releases scheduled.

## GDP growth forecasts

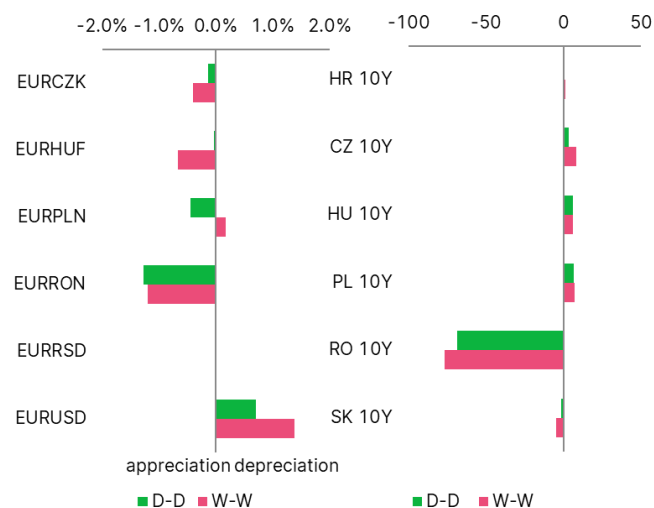


Source: Erste Group Research

## Economic developments

Yesterday, the European Commission released their spring edition of economic forecasts, which projects real GDP growth in 2025 at 1.1% in the EU and 0.9% in the euro area. This represents a considerable downgrade compared to the previous forecasting round, largely due to the heightened uncertainty and the unpredictability of the US tariffs' final configuration. Looking at the CEE region, we've also made visible adjustments to our growth forecast in reaction to flash estimates of 1Q25 GDP data, described in yesterday's publication of the [CEE Growth Navigator](#). In comparison to the EC, we anticipate roughly the same growth rates in Hungary, while we see smaller growth prospects in Czechia (-0.2pp), Croatia (-0.4pp), Poland (-0.2pp) and Slovenia (-0.5pp). However, the forecast for Slovenia from the EC might not have included the major negative surprise from Q1 flash GDP. On the other hand, Romania and Slovakia are seen more positively by our analysts, by 0.4pp and 0.3pp respectively. Next year, the largest discrepancy between our and EC forecasts is for Romania, differing by 0.9pp. Our more positive outlook comes from assumptions of higher utilization of the RRF and a more positive external environment. However, once the structure for Q1 is out, we do not rule out downward adjustments.

## Market performance



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## Market developments

The results of the Romanian presidential elections held over the weekend brought significant relief to the Romania's fixed income market. The Romanian leu appreciated by 1.3% d/d against the euro, while 10-year government bond yields dropped by 70 basis points on Monday. The future trajectory of Romania's fixed income assets will largely depend on the new president's ability to stabilize the domestic political landscape. This includes appointing a new prime minister who can secure parliamentary support and advance a credible fiscal consolidation package. In contrast, the reaction of Polish assets to Sunday's election was relatively muted, as the decisive run-off is scheduled for June 1st. Yesterday, Slovakia's debt agency raised EUR 606.8 million on Monday through the re-opening of government bonds maturing in 2028, 2031, 2033, and 2035.

## Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
20. May		SK	Unemployment Rate	Apr			4.8%
	09:00	CZ	PPI (y/y)	Apr	-0.9%	-1.00%	-0.3%
	10:30	SK	Current Account Balance (monthly)	Mar			-667.40
21. May	10:00	PL	Industrial Production (y/y)	Apr	-0.2%		2.5%
	10:00	PL	PPI (y/y)	Apr	-1.4%		-1.1%
	10:00	PL	Wages (y/y)	Apr	8.1%		7.7%
	10:30	SI	PPI (y/y)	Apr			1.2%
	11:00	HR	Unemployment Rate	Apr		4.60%	5.10%
	11:00	HR	Wages (y/y)	Mar			10.8%

## FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.85	-0.1	-0.4
EUR/HUF	402.28	0.0	-0.7
EUR/PLN	4.25	-0.5	0.2
EUR/RON	5.04	-1.3	-1.2
EUR/RSD	117.09	0.0	0.0
EUR/USD	1.12	0.7	1.4

## 3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.51	0	-1
HUF	6.50	0	0
PLN	5.25	0	6
RON	7.26	-13	-5
RSD	4.68	0	0
EUR	2.08	-3	-6

## 10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.22	3	8
HU 10Y	6.99	6	6
PL 10Y	5.45	7	7
RO 10Y	7.42	-69	-77
HR 10Y	3.04	0	2
SK 10Y	3.46	-1	-5

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