

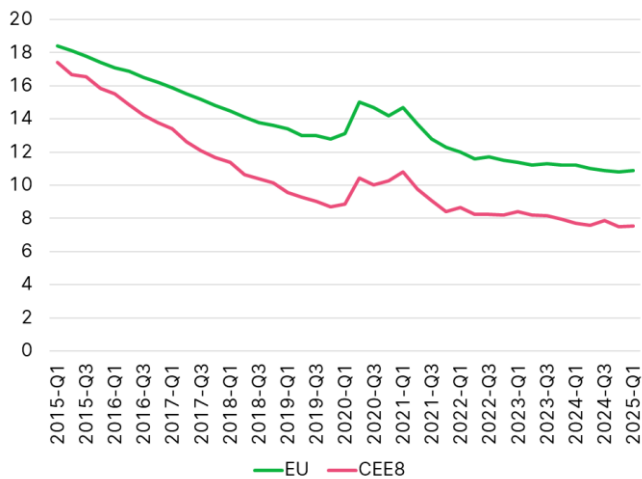
CEE MACRO AND FI DAILY

# Labor market slack remains stable

## On the Radar

- Producer prices in industry declined by 0.8% y/y in Czechia during May.
- At 11 AM CET, Croatia releases final inflation in May.
- In the afternoon, Poland will show core inflation in May.

### Labor market slack, percent

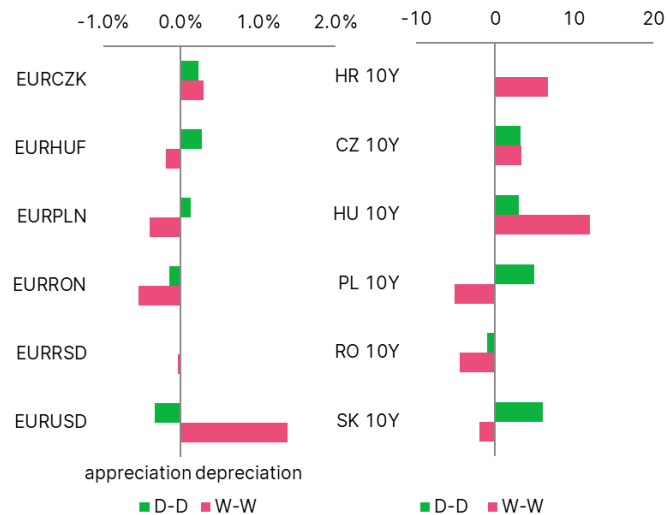


Source: Erste Group Research

### Economic developments

Labor market slack in the EU (all people who have an unmet need for employment, including unemployed people) amounted to 10.9% of the extended labor force aged 20-64 in 1Q25 marking a 0.1 percentage point increase compared to the last quarter of the previous year. In the CEE region, labor market slack remained flat at 7.5% in 1Q25. Such development in the region as opposed to the entire EU is yet another sign of ongoing tightness of the labor market in the region. Looking from a broader perspective, labor market slack decreased visibly in the region and to a bigger extent compared to the whole EU. Over last decade, labor market slack dropped by roughly 10 percentage points in CEE8 while in the EU by 7.5 percentage points.

## Market performance



Source: Erste Group Research

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## Market developments

This week, there are no market-related events in the region. EURCZK is below 25, EURHUF close to 402 and EURPLN at 4.26. Long-term yields declined over last week. In Hungary Daniel Palotai was nominated to become the fourth deputy governor of the central bank, a position created this month after Parliament passed an overhaul of the institution's leadership. In Poland, the policy maker Kotecki said inflation will likely fall toward the central bank's target in July supported by the statistical effects and unexpected gas tariff cut. Furthermore, the new projection should show inflation staying within the tolerance band more permanently. He believes that a 50 basis points cut will be delivered this year.

## Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
16. Jun	9:00	CZ	PPI (y/y)	May		-0.60%	-1.30%
	11:00	HR	CPI (y/y)	May F			3.50%
	11:00	HR	CPI (m/m)	May F			0.40%

## FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.82	0.2	0.3
EUR/HUF	402.37	0.3	-0.2
EUR/PLN	4.27	0.1	-0.4
EUR/RON	5.01	-0.1	-0.5
EUR/RSD	117.03	0.0	0.0
EUR/USD	1.15	-0.3	1.4

## 3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.52	0	1
HUF	6.50	0	0
PLN	5.22	1	1
RON	7.15	0	0
RSD	4.68	0	0
EUR	2.00	3	4

## 10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.28	3	3
HU 10Y	7.18	3	12
PL 10Y	5.52	5	-5
RO 10Y	7.49	-1	-4
HR 10Y	3.10	0	7
SK 10Y	3.45	6	-2

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