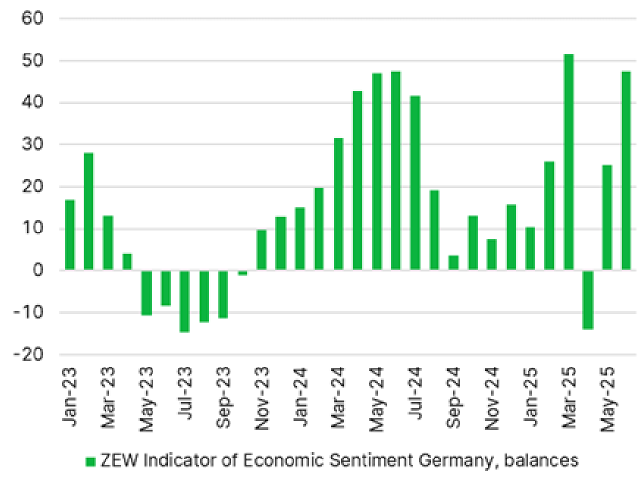
CEE MACRO AND FI DAILY

ZEW sentiment indicator recovers in Germany

On the Radar

- Today in Slovenia and Serbia current account data will be published.
- Otherwise, there are no releases scheduled.

ZEW Indicator of Economic Sentiment Germany, balances

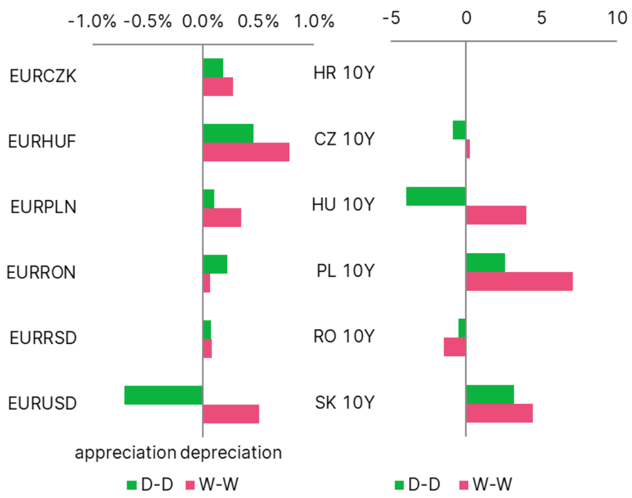


Source: Erste Group Research

Economic developments

After a deep drop of the ZEW Indicator in April (in reaction to the Trump's announcement of tariffs), the economic sentiment in Germany seems to have recovered. In June, ZEW Indicator increased to 47.5 points from May's value at 25.2. ZEW President Wambach underlines that recent growth in investment and consumer demand have been contributing factors to improving sentiment. This development also seems to strengthen the assessment that the fiscal policy measures announced by the new German government can provide a boost to the economy. The assessment of the current economic situation also experiences an increase with the indicator for Germany rising by 10.0 points and settling at minus 72.0 points in June. This is the strongest increase observed in the indicator since April 2023. According to the statement, however, the value continues to be the lowest reading among the countries analyzed and in the eurozone. Recovery of market sentiment in Germany is a positive signal for the CEE developments.

Market performance



Source: Erste Group Research

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Market developments

The CEE currencies have weakened slightly since the beginning of the week, while long-term yields have moved lower everywhere but Poland. Poland's policy maker Kochalski shared the concerns over the impact of recent geopolitical situation on inflation in Poland, thus making the interest rate cut less likely in July in his view. In Romania, President Dan plans to hold formal talks with political parties on designating a new prime minister on Thursday, June 19. Hungary approved 2026 budget targeting deficit at 3.7% of GDP as some fiscal easing (tax cuts) are penciled in ahead of parliamentary elections scheduled for spring 2026.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
18. Jun		**RS**	Current Account Balance (monthly)	Apr			-871.20
	10:30	**SK**	Current Account Balance (monthly)	Apr			-290.50
19. Jun			No releases scheduled				

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.81	0.2	0.3
EUR/HUF	403.75	0.5	0.8
EUR/PLN	4.27	0.1	0.3
EUR/RON	5.03	0.2	0.1
EUR/RSD	117.16	0.1	0.1
EUR/USD	1.15	-0.7	0.5

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.52	0	1
HUF	6.50	0	0
PLN	5.23	1	3
RON	7.14	-1	-1
RSD	4.68	0	0
EUR	2.02	2	7

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.28	-1	0
HU 10Y	7.09	-4	4
PL 10Y	5.55	3	7
RO 10Y	7.49	0	-1
HR 10Y	3.10	0	0
SK 10Y	3.46	3	4

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