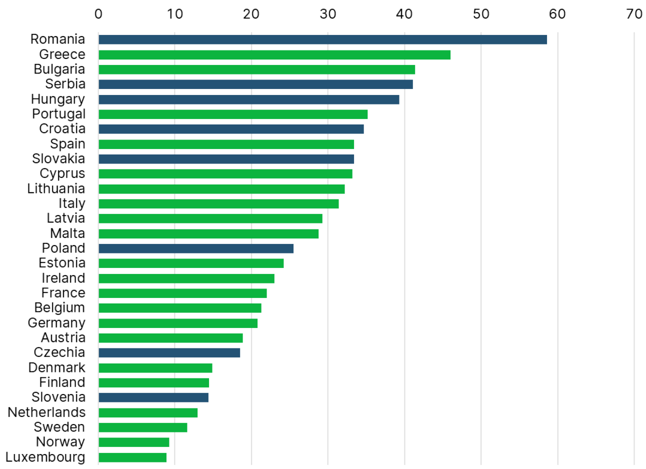
CEE MACRO AND FI DAILY

A quarter of the EU population cannot afford holidays away from home

On the Radar

- Producer prices will be released in Hungary at 8.30 AM CET
- At 10 AM CET, Poland will publish flash estimate of inflation in June and Slovenia at 10.30 AM CET.
- AT 11 AM CET, Croatia will publish industry and retail sales output in May, while Serbia at noon CET.
- At noon CET, Serbia will release trade data at the top.

Inability to afford paying for one-week annual holiday away from home, %

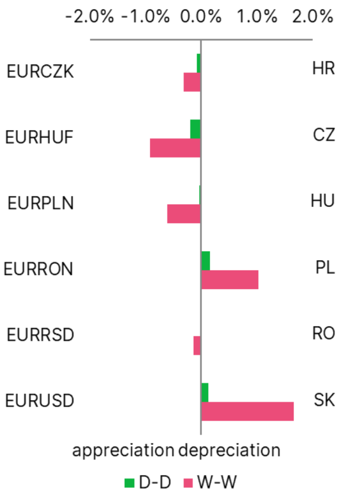


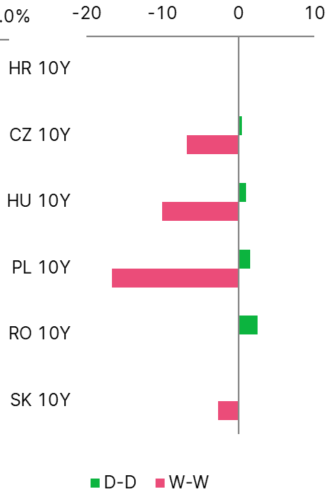
Source: Erste Group Research

Economic developments

As summer starts and school holidays will last throughout July and August across Europe, we look at statistics showing inability to afford paying for a one-week annual holiday away from home in the region. In 2024, on average 27% of the population was unable to pay for one week holiday away from home. Within the region, five CEE countries are above the EU average. Romania recorded the highest share of individuals in this situation, with the majority of Romanians (58.6%) being unable to afford a one-week annual holiday in 2024. On the other hand, Slovenia, Czechia and Poland are below the EU average.

Market performance





Source: Erste Group Research

Market developments

Last week, weakening of the US dollar against the euro (EURUSD at 1.17) translates into strengthening of the local currencies, the Hungarian forint and Polish zloty in particular. Both currencies strengthened roughly 0.5% against the euro. The EURRON is less affected, as local factors (quite a disappointing extent of fiscal consolidation at this point) remain intact. The CEE government bonds benefited from weakening of the US dollar as well as from decline of 10Y Treasury yields. In general, LCY 10Y government bond yields collapsed about 10-15bp w/w, with only ROMGBs a notable exception. This week, Poland's central bank holds a rate setting decision and we expect stability of rates. In Czechia, Governor Michl sounded very hawkish on Sunday, saying the central bank will be very strict in its monetary policy. In Romania, more measures to cut the budget deficit was announced (for example higher dividend and property tax).

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
30. Jun		**HR**	Current Account Balance (quarterly)	1Q			-1570.56
	08:30	**HU**	PPI (y/y)	May			7.85%
	10:00	**PL**	CPI (y/y)	Jun P			4.00%
	10:00	**PL**	CPI (m/m)	Jun P			-0.20%
	10:30	**SI**	CPI (y/y)	Jun		1.90%	1.80%
	10:30	**SI**	CPI (m/m)	Jun			
	11:00	**HR**	Industrial Production (y/y)	May		4.00%	6.50%
	11:00	**HR**	Retail Sales (y/y)	May		3.00%	4.94%
	12:00	**RS**	Industrial Production (y/y)	May		2.00%	2.30%
	12:00	**RS**	Retail Sales (y/y)	May		2.50%	0.40%
	12:00	**RS**	Trade Balance	May			-1031.50
01. Jul	**08:30**	**HU**	Trade Balance	May			1340.00
	11:00	**HR**	CPI (y/y)	Jun P		3.40%	3.50%
	11:00	**HR**	CPI (m/m)	Jun P			0.30%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.71	-0.1	-0.3
EUR/HUF	398.66	-0.2	-0.9
EUR/PLN	4.24	0.0	-0.6
EUR/RON	5.08	0.2	1.0
EUR/RSD	117.00	0.0	-0.1
EUR/USD	1.17	0.1	1.7

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.50	0	-1
HUF	6.50	0	0
PLN	5.24	2	2
RON	7.09	0	0
RSD	4.68	0	0
EUR	1.94	-4	-9

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.22	0	-7
HU 10Y	7.05	1	-10
PL 10Y	5.40	2	-17
RO 10Y	7.37	3	0
HR 10Y	3.10	0	0
SK 10Y	3.40	0	-3

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