

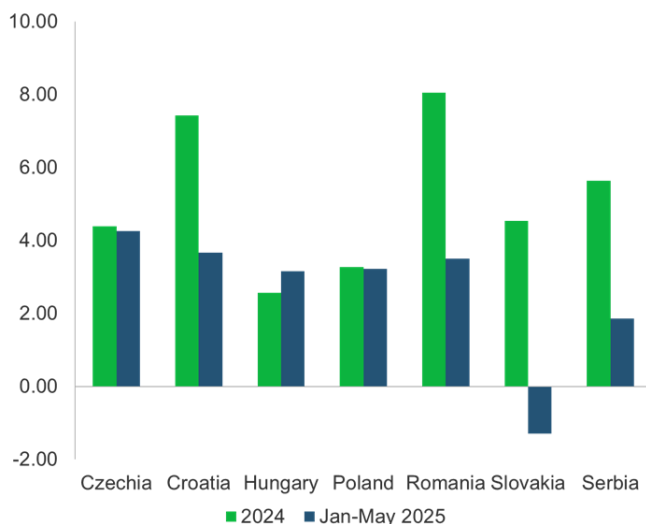
CEE MACRO AND FI DAILY

Retail sales rise across CEE in May, except for Slovakia

On the Radar

- June's inflation rate in Hungary is scheduled for release at 8.30 AM CET
- At 9 AM CET Czechia releases share of unemployed 15-65, while Croatia tourism arrivals at 11 AM CET.
- Today, Romania will announce interest rate decision.

Retail sales growth, percent

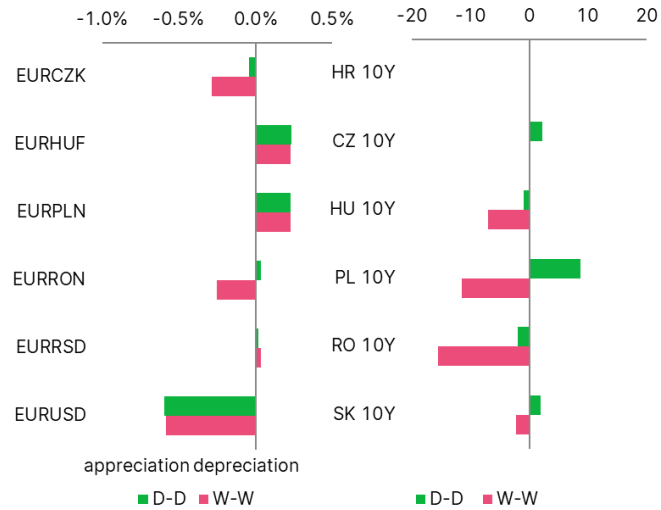


Source: Erste Group Research

Economic developments

The series of yesterday's releases of retail sales growth in several CEE countries completes the information about development of retail sector in May. Retail sales grew in all CEE countries but Slovakia, where it declined by -1.8% y/y in May. In most of the CEE countries retail sales growth slowed down compared to April 2025 to a greater or lesser extent. In Hungary, for example, retail sales growth was supported by the sales of non-food stores in May as sales in food stores increased by only 0.5%, while non-food retail sales grew by 4%. However, retail sector performance in Hungary is so far better compared to 2024. Further in Romania, private consumption is pressured by fiscal consolidation. The increase in standard VAT rate as of August could lead to pre-stocking for some items and a temporary jump in retail sales in July. The higher VAT tax is most likely the reason why Slovakia is such an outlier in the region (decline of retail sales by 1.3% year-to-date). In general, we observe slower growth of real wages that translates into lower growth dynamics of retail sales across the region (most notably in Croatia, Romania and Serbia). This is also in line with our view that private consumption growth will sustain positive growth dynamics in 2025 albeit the pace of growth is expected to be slower.

Market performance



Source: Erste Group Research

Analyst:

Katarzyna Rzentarzewska
+43 5 0100 17356
katarzyna.rzentarzewska@erstegroup.com

Analyst:

Juraj Kotian
+43 (0)5 0100 17357
juraj.kotian@erstegroup.com

Market developments

CEE currencies have weakened against the euro on Monday. While European Union tries to lock the tariffs at 10%, President Trump threatens other countries like Japan and South Korea with higher tariffs. Locally, Romania's central bank will announce interest rate decision. It is widely seen keeping interest rates unchanged at the 8 July meeting. Inflation outlook has deteriorated, and, on a net basis, the announced fiscal consolidation package is inflationary over the short-term. Uncertainties related to the impact of the increase in energy prices after the regulatory cap expired 1 July and announced measures to increase VAT rates and excise duties should postpone plans to reduce interest rates into 2026. In Poland, the central banker Iwona Duda said she would support another 25 basis points cut this year that would materialize the scenario of overall 100 basis points rate reduction in 2025.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
08. Jul		RO	Central Bank Rate	Jul 25		6.50%	6.50%
	08:30	HU	CPI (y/y)	Jun			4.40%
	08:30	HU	CPI (m/m)	Jun			0.20%
09. Jul	09:00	SK	Trade Balance	May		260.00	-0.30

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.62	0.0	-0.3
EUR/HUF	399.83	0.2	0.2
EUR/PLN	4.25	0.2	0.2
EUR/RON	5.06	0.0	-0.3
EUR/RSD	117.06	0.0	0.0
EUR/USD	1.17	-0.6	-0.6

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.49	0	0
HUF	6.50	0	0
PLN	5.07	-2	-17
RON	6.88	-11	-21
RSD	4.68	0	0
EUR	1.94	-4	0

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.23	2	0
HU 10Y	6.98	-1	-7
PL 10Y	5.31	9	-11
RO 10Y	7.24	-2	-15
HR 10Y	3.10	0	0
SK 10Y	3.39	2	-2

Group Research

Head of Group Research Friedrich Mostböck, CEFA®, CESGA®	+43 (0)5 0100 11902	Group Treasury Markets Head: Valentin Popovici	+43 (0)5 0100 85882
CEE Macro/Fixed Income Research Head: Juraj Kotian (Macro/FI) Katarzyna Rzentarzewska (Fixed income) Jakub Cery (Fixed income)	+43 (0)5 0100 17357 +43 (0)5 0100 17356 +43 (0)5 0100 17384	MM Trading Head: Philippe Quintans de Soure	+43 (0)5 0100 84424
Croatia/Serbia Alen Kovac (Head) Mate Jelić Ivana Rogic	+385 72 37 1383 +385 72 37 1443 +385 72 37 2419	Collateral Trading, Management and Optimization Head: Danijela Lukic	+43 (0)5 0100 84983
Czech Republic David Navrátil (Head) Jiri Polansky Michal Skorepa	+420 956 765 439 +420 956 765 192 +420 956 765 172	Interest Rates and FX Options Trading Head: Martin Sramko	+43 (0)5 0100 84924
Hungary Orsolya Nyeste János Nagy	+361 268 4428 +361 272 5115	FX Trading & Corporate Treasury Sales Head: Valentin Popovici	+43 (0)5 0100 85882
Romania Ciprian Dascalu (Head) Eugen Sinca Vlad Nicolae Ionita	+40 3735 10108 +40 3735 10435 +40 7867 15618	E-FX Trading Head: Helmut Kroboth	+43 (0)5 0100 84652
Slovakia Maria Valachyova (Head) Matej Hornak Marian Kocis	+421 2 4862 4185 +421 902 213 591 +421 904 677 274	CEE FX Trading Head: Juraj Zabadal	+420 224 995 553
Major Markets & Credit Research Head: Rainer Singer Ralf Burchert, CEFA®, CESGA® (Sub-Sovereigns & Agencies) Hans Engel (Global Equities) Maurice Jiszda, CEFA®, CFDS® (USA, CHF) Peter Kaufmann, CFA® (Corporate Bonds) Heiko Langer (Financials & Covered Bonds) Stephan Lingnau (Global Equities) Maximilian Möstl (Credit Analyst Austria) Carmen Riefler-Kowarsch (Financials & Covered Bonds) Bernadett Povazsai-Römhild, CEFA®, CESGA® (Corporate Bonds) Elena Stetelov, CIAA® (Corporate Bonds) Gerald Walek, CFA® (Eurozone)	+43 (0)5 0100 17331 +43 (0)5 0100 16314 +43 (0)5 0100 19835 +43 (0)5 0100 19630 +43 (0)5 0100 11183 +43 (0)5 0100 85509 +43 (0)5 0100 16574 +43 (0)5 0100 17211 +43 (0)5 0100 19632 +43 (0)5 0100 17203 +43 (0)5 0100 19641 +43 (0)5 0100 16360	Markets Corporate Sales AT Head: Martina Kranzl-Carvell	+43 (0)5 0100 84147
CEE Equity Research Head: Henning Eßkuchen, CESGA® Daniel Lion, CIAA® (Technology, Ind. Goods&Services) Michael Marschallinger, CFA® Nora Varga-Nagy, CFA® (Telecom) Christoph Schultes, MBA, CIAA® (Real Estate) Thomas Unger, CFA® (Banks, Insurance) Vladimira Urbankova, MBA (Pharma) Martina Valenta, MBA	+43 (0)5 0100 19634 +43 (0)5 0100 17420 +43 (0)5 0100 17906 +43 (0)5 0100 17416 +43 (0)5 0100 11523 +43 (0)5 0100 17344 +43 (0)5 0100 17343 +43 (0)5 0100 11913	Markets Corporate Sales HUN Head: Adam Farago	+361 237 8202
Croatia/Serbia Mladen Dodig (Head) Boris Pevalek, CFA® Marko Plastic Davor Spoljar, CFA® Magdalena Basic	+381 11 22 09178 +385 99 237 2201 +385 99 237 5191 +385 72 37 2825 +385 99 237 1407	Markets Corporate Sales CRO Head: Neven Radakovic	+385 (0)72 37 1385
Czech Republic Petr Bartek (Head, Utilities) Jan Bystřický	+420 956 765 227 +420 956 765 218	Markets Corporate Sales CZ Head: Tomas Picek	+420 224 995 511
Hungary József Miró (Head) András Nagy Tamás Pletser, CFA® (Oil & Gas)	+361 235 5131 +361 235 5132 +361 235 5135	Markets Corporate Sales RO Head: Bogdan Ionut Cozma	+40 731 680 257
Poland Cezary Bernatek (Head) Piotr Bogusz Łukasz Jańczak Jakub Szkopek Krzysztof Tkocz	+48 22 257 5751 +48 22 257 5755 +48 22 257 5754 +48 22 257 5753 +48 22 257 5752	Markets Corporate Sales SK Head: Lubomir Hladik	+421 2 4862 5622
Romania Caius Rapanu	+40 3735 10441	Group Securities Markets Head: Thomas Einramhof	+43 (0)50100 84432
		Institutional Distribution Core Head: Jürgen Niemeier	+49 (0)30 8105800 5503
		Institutional Distribution CEE & Insti AM CZ Head: Antun Buric	+385 72 37 2439
		Institutional Distribution DACH+ Head: Marc Frieberthäuser	+49 (0)711 810400 5540
		Institutional Asset Management CZ Head: Petr Holeček	+420 956 765 453
		Group Institutional Equity Sales Head: Michal Řízek Werner Fürst Viktoria Kubalcova Thomas Schneidhofer Oliver Schuster Czech Republic Head: Michal Řízek Jakub Brukner Martin Havlan Pavel Krabička Poland Head: Jacek Jakub Langer Tomasz Galanciak Maciej Senderek Wojciech Wysocki Przemysław Nowosad Croatia Matija Tkaličanac Hungary Nandori Levente Krisztian Kandik Balasz Zankay Romania Adrian Barbu	+420 224 995 537 +43 (0)50100 83121 +43 (0)5 0100 83124 +43 (0)5 0100 83120 +43 (0)5 0100 83119 +420 224 995 537 +420 731 423 294 +420 224 995 551 +420 224 995 411 +48 22 257 5711 +48 22 257 5715 +48 22 257 5713 +48 22 257 5714 +48 22 257 5712 +385 72 37 21 14 + 36 1 23 55 141 + 36 1 23 55 162 + 36 1 23 55 156 +40 7305 18635
		Group Fixed Income Securities Markets Head: Goran Hobljaj	+43 (0)50100 84403
		Fixed Income Flow Sales Head: Goran Hobljaj Bernd Thaler	+43 (0)5 0100 84403 +43 (0)5 0100 84119
		Group Fixed Income Securities Trading Head: Goran Hobljaj Credit Trading Head: Christoph Fischer-Antze CEE Rates Trading Head: Peter Provotlak Euro Government Bonds Trading Head: Gottfried Ziniel	+43 (0)50100 84403 +43 (0)50100 84332 +420 224 995 512 +43 (0)50100 84333
		Group Equity Trading & Structuring Head: Ronald Nemec	+43 (0)50100 83011
		Group Markets Financial Institutions Manfred Neuwirth	+43 (0)50100 84250
		Group Financial Institutions Head bis 30.4.25: Christian Wolf Head ab 1.5.25: Christina Linzer	+43 (0)50100 12776 +43 (0)50100 13049
		Group Non-Bank Financial Institutions Head: Michael Aschauer	+43 (0)50100 14090

Group Markets

Head of Group Markets Oswald Huber	+43 (0)5 0100 84901		
Group Markets Retail and Agency Business Head: Martin Langer Markets Retail Sales AT Head: Markus Kaller Group Markets Execution Head: Kurt Gerhold Retail & Sparkassen Sales Head: Uwe Kolar Markets Retail Sales & PM SK Monika Pálová Markets Retail Sales HUN Head: Peter Kishazi Markets Retail Sales CZ Head: Martin Vleck Markets Retail Sales & PM CRO Head: Neven Radakovic Head: Tamas Nagy Markets Retail Sales & PM RO Head: Laura Hexan GM Retail Products & Business Development Head: Michael Tröthann	+43 (0)5 0100 11313 +43 (0)5 0100 84239 +43 (0)5 0100 84232 +43 (0)5 0100 83214 +421 911 891 098 +36 1 23 55 853 +420 956 765 374 +385 (0)72 37 1385 +385 (0)72 37 2461 +40 7852 47110 +43 (0)50100 11303		

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