

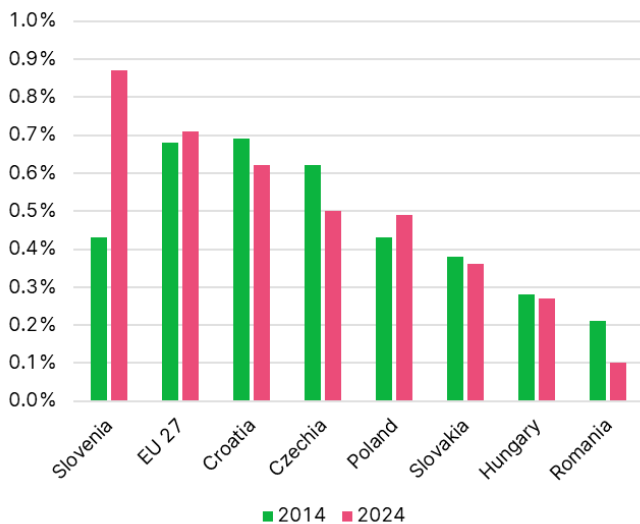
CEE MACRO AND FI DAILY

Slovenia leads CEE in public R&D expenditure

On the Radar

- Inflation in Czechia arrived at 2.7% y/y for July.
- Retail sales in Romania were released at 2.5% y/y.
- At 8:30, Hungary will release industrial production and retail sales figures for June.
- At 9:00, Slovakia will publish June's retail sales.
- Today, Czechia will also release industrial production and trade data.

Public R&D expenditure (% of GDP)

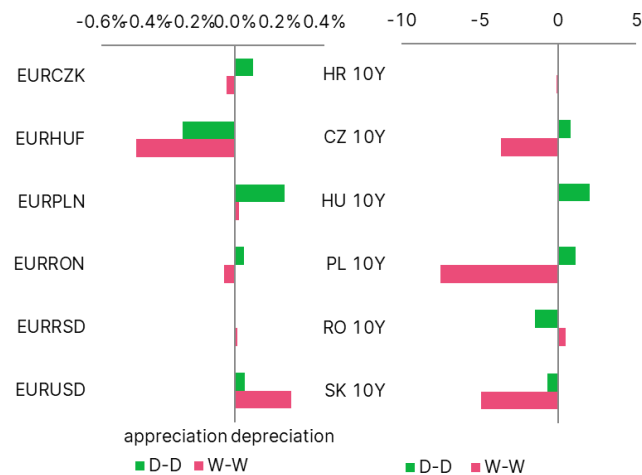


Source: Erste Group Research

Economic developments

Long-term investment in research and development is an important driver of economic success, as demonstrated by countries such as South Korea, Taiwan, and the United States. A significant portion of R&D funding originates from public sources, which is today's topic. In 2024, Slovenia recorded the highest government budget allocation for R&D among the CEE countries, reaching nearly 0.9% of GDP; representing a 100% increase over the past decade. However, no other CEE country was over the EU average. Croatia allocated 0.6% of GDP, followed by Czechia at 0.5%, while Romania reported the lowest level of public R&D investment at just 0.1% of GDP. For comparison, the leading countries in 2024 were Germany, Iceland, and Austria, each allocating approximately 1% of GDP to government-funded R&D. Outside of Europe, Japan and South Korea reported even higher figures in 2023, at 1.7% and 1.27% of GDP, respectively, although data for 2024 are not yet available. Another interesting metric is R&D expenditure per capita. Switzerland leads in this category, with spending of €900 per person, followed by Iceland (€831) and Luxembourg (€760). Within the CEE region, Slovenia again stands out with the highest per capita expenditure at €275, while other countries in the region remained below €150 per capita.

Market performance



Source: Erste Group Research

Analyst:

Jakub Cery
+43 (0)5 0100 17338
jakub.cery@erstegroup.com

Analyst:

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

Market developments

The situation in FX markets has stabilized, and investors are now awaiting President Trump's nomination for the vacant Fed Governor position—widely expected to also be the likely successor to current Fed Chair Jerome Powell. Yesterday's flash estimate of Czech inflation came in line with market expectations, reinforcing the view that the CNB will leave interest rates unchanged at tomorrow's meeting. This MPC meeting will be particularly notable, as the CNB will also unveil a new forecast—the first under the leadership of the new Director of the Monetary Section.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
6. Aug		CZ	Industrial Production (y/y)	Jun		1.7%	2.2%
		CZ	Trade Balance	Jun		22.4	16.3
	08:00	RO	Retail Sales (y/y)	Jun		0.5%	2.7%
	08:30	HU	Industrial Production (y/y)	Jun		-4.7%	-2.6%
	08:30	HU	Retail Sales (y/y)	Jun		2.8%	2.1%
	09:00	SK	Retail Sales (y/y)	Jun		1.0%	-1.8%
7. Aug	11:00	HR	PPI (y/y)	Jul			1.4%
	12:00	RS	PPI (y/y)	Jul			1.1%
	12:00	RS	Central Bank Rate	Aug			5.75%
	14:30	CZ	Central Bank Rate	Aug	0.04	3.5%	3.5%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.57	0.1	0.0
EUR/HUF	397.80	-0.2	-0.4
EUR/PLN	4.28	0.2	0.0
EUR/RON	5.07	0.0	0.0
EUR/RSD	117.07	0.0	0.0
EUR/USD	1.16	0.0	0.3

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.50	0	1
HUF	6.50	0	0
PLN	4.93	0	-2
RON	6.60	-1	-8
RSD	4.68	0	0
EUR	1.97	-2	-5

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.29	1	-4
HU 10Y	7.08	2	0
PL 10Y	5.33	1	-8
RO 10Y	7.16	-1	0
HR 10Y	3.09	0	0
SK 10Y	3.40	-1	-5

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 Navratil (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 Statelov, 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
Group Markets Head of Group Markets Oswald Huber	+43 (0)5 0100 84901	Institutional Distribution Core Head: Jürgen Niemeier	+49 (0)30 8105800 5503
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	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 Przemyslaw 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

Disclaimer

This publication was prepared by Erste Group Bank AG or any of its consolidated subsidiaries (together with consolidated subsidiaries "Erste Group") independently and objectively as general information. This publication serves interested investors as additional source of information and provides general information, information about product features or macroeconomic information without emphasizing product selling marketing statements. This publication does not constitute a marketing communication pursuant to Art. 36 (2) delegated Regulation (EU) 2017/565 as no direct buying incentives were included in this publication, which is of information character. This publication provides only other information without making any comment, value judgement or suggestion on its relevance to decisions, which an investor may make and is therefore also no recommendation. Thus, this publication does not constitute investment research pursuant to Art. 36 (1) delegated Regulation (EU) 2017/565. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to the prohibition on dealing ahead of the dissemination of investment research. The information only serves as non-binding and additional information and is based on the level of knowledge of the person in charge of drawing up the information on the respective date of its preparation. The content of the publication can be changed at any time without notice. This publication does not constitute or form part of, and should not be construed as, an offer, recommendation or invitation for a transaction in any financial instrument or connected financial instruments, and neither this publication nor anything contained herein shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or inclusion of a financial or connected financial instrument in a trading strategy. Information provided in this publication is based on publicly available sources which Erste Group considers as reliable, however, without verifying any such information by independent third persons. While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, Erste Group (including its representatives and employees) neither expressly nor tacitly makes any guarantee as to or assumes any liability for the up-to-dateness, completeness and correctness of the content of this publication. Erste Group may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that Erste Group endorses, recommends or approves any material on the linked page or accessible from it. Neither a company of Erste Group nor any of its respective managing directors, supervisory board members, executive board members, directors, officers or other employees shall be in any way liable for any costs, losses or damages (including subsequent damages, indirect damages and loss of profit) howsoever arising from the use of or reliance on this publication. Any opinion, estimate or projection expressed in this publication reflects the current judgment of the author(s) on the date of publication of this document and does not necessarily reflect the opinions of Erste Group. They are subject to change without prior notice. Erste Group has no obligation to update, modify or amend this publication or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. The past performance of a financial or connected financial instrument is not indicative for future results. No assurance can be given that any financial instrument or connected financial instrument or issuer described herein would yield favorable investment results or that particular price levels may be reached. Forecasts in this publication are based on assumptions which are supported by objective data. However, the used forecasts are not indicative for future performance of financial instruments incl. connected financial instruments. Erste Group, principals or employees may have a long or short position or may transact in financial instrument(s) incl. connected financial instruments referred to herein or may trade in such financial instruments with other customers on a principal basis. Erste Group may act as a market maker in financial instruments, connected financial instruments or companies resp. issuers discussed herein and may also perform or seek to perform investment services for those companies resp. issuers. Erste Group may act upon or use the information or conclusion contained in this publication before it is distributed to other persons. This publication is subject to the copyright of Erste Group and may not be copied, distributed or partially or in total provided or transmitted to unauthorized recipients. By accepting this publication, a recipient hereof agrees to be bound by the foregoing restrictions.

Erste Group is not registered or certified as a credit agency in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the Credit Rating Agencies Regulation). Any assessment of the issuers creditworthiness does not represent a credit rating pursuant to the Credit Rating Agencies Regulation. Interpretations and analysis of the current or future development of credit ratings are based upon existing credit rating documents only and shall not be considered as a credit rating itself.

For U.S. persons only: This research report is a product of Erste Group Bank AG under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. Research reports are intended for distribution by only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Erste Group Bank AG has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer

© Erste Group Bank AG 2025. All rights reserved.

Published by:

Erste Group Bank AG
Group Research
1100 Vienna, Austria, Am Belvedere 1
Head Office: Wien
Commercial Register No: FN 33209m
Commercial Court of Vienna
Erste Group Homepage: www.erstegroup.com