

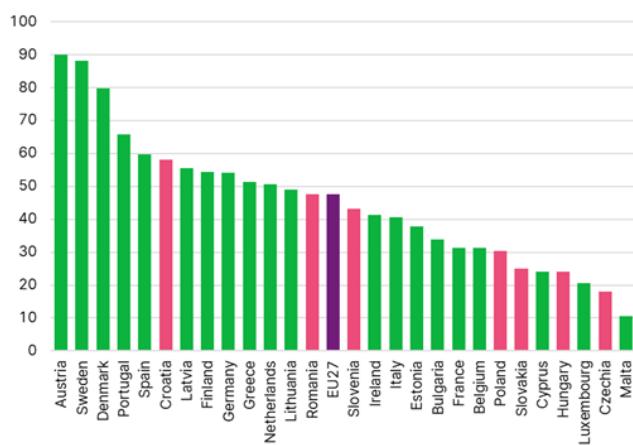
CEE MACRO AND FI DAILY

Croatia leads the region in renewable electricity production

On the Radar

- Romania's central bank will announce key interest rate decision. No change is expected.
- Producer prices will be published at 9 AM CET in Czechia.

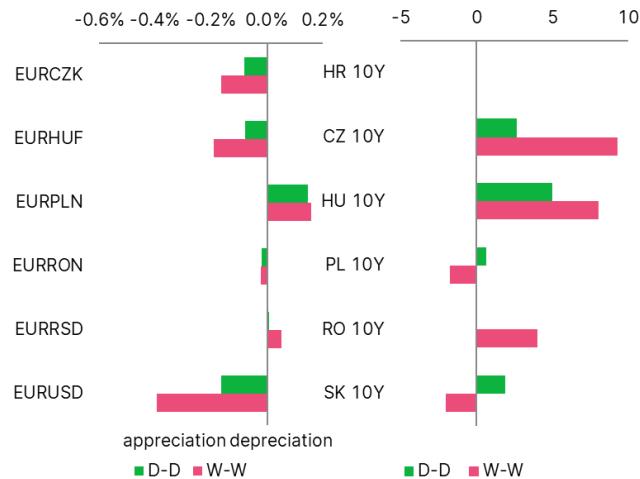
Share of renewable sources in electricity production, %



Source: Erste Group Research

In 2024, renewable energy sources accounted for 47.5% of gross electricity consumption in the European Union, indicating a 2.1 percentage points increase from 2023. Further, it has almost tripled (+30 percentage points) over last two decades (up from 15.6% in 2004). As far as structure is concerned, wind (38.0% of the total) and hydro power (26.4%) accounted for almost two-thirds of the total electricity generated from renewables and solar power followed, contributing 23.4%. Looking across counties, electricity from renewables dominates in Austria and Sweden. Within the region, Croatia and Romania have share of energy from renewable sources higher than EU average. On the other hand, Czechia, Hungary and Slovakia have the lowest share of energy from renewable sources not only within the region, but in the whole EU. It has to be noted, however, that nuclear energy is considered as separate source. In Czechia for example, two nuclear power plants generate more than one third of net electricity production.

Market performance



Source: Erste Group Research

Market developments

In Romania, the key rate is expected to remain at 6.50%, where it has stood since mid-2024. A renewed acceleration in annual inflation during the second half of 2025, together with core inflation remaining above expectations into year end, is likely to prompt the central bank to remain cautious. Above-expectations GDP performance and continued credit growth further strengthen the case for maintaining the current policy stance. Poland's central banker Ludwik Kotecki stated that an interest rate cut could occur as early as February due to a favorable inflation outlook. In contrast, member Henryk Wnorowski suggested a cut is more logical in March, with rates potentially falling below 3.5% by 2026. Further, Serbia's sole refinery, majority owned by Russian companies, resumed its work on Sunday. Finally, NIS has obtained a license from the US Office of Foreign Assets Control (OFAC) allowing it to continue operations until January 23, as well as a license to negotiate the sale until March 24. The FX market in the region was quite stable throughout last week while long-term yields showed mixed performance.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
19. Jan		RO	Central Bank Rate	Jan 26		6.5%	6.5%
20. Jan		SK	Unemployment Rate	Dec			5.0%
	10:30	SK	Current Account Balance (monthly)	Nov			-197.30
	11:00	HR	Unemployment Rate	Dec			4.5%
	11:00	HR	Wages (y/y)	Nov			6.4%
21. Jan			No releases scheduled				

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.23	-0.1	-0.2
EUR/HUF	384.72	-0.1	-0.2
EUR/PLN	4.21	0.1	0.2
EUR/RON	5.09	0.0	0.0
EUR/RSD	117.26	0.0	0.1
EUR/USD	1.16	-0.2	-0.4

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.50	0	-1
HUF	6.39	0	-2
PLN	3.94	0	-1
RON	6.00	-1	-10
RSD	4.68	0	0
EUR	2.03	1	1

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.41	3	9
HU 10Y	6.77	5	8
PL 10Y	5.05	1	-2
RO 10Y	6.68	0	4
HR 10Y	3.21	0	0
SK 10Y	3.39	2	-2

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