

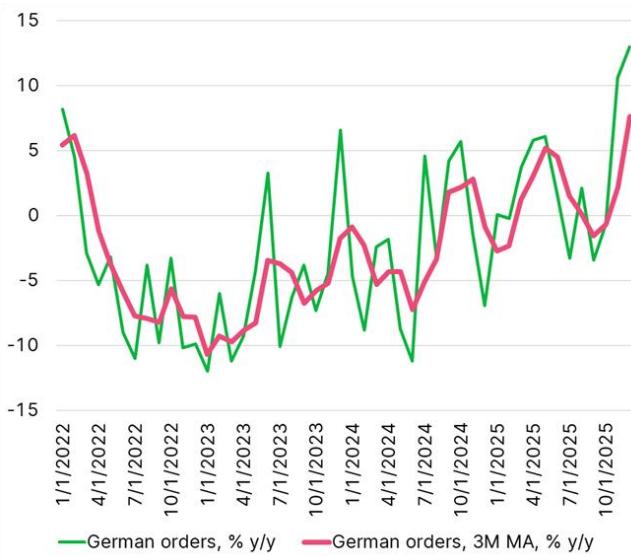
CEE MACRO AND FI DAILY

German economic data bring optimism for CEE outlook

On the Radar

- Today Poland releases a series of data: January's industrial output growth, producer prices, employment and wage growth.
- At noon CET Serbia will publish inflation rate in January.

German orders, % y/y

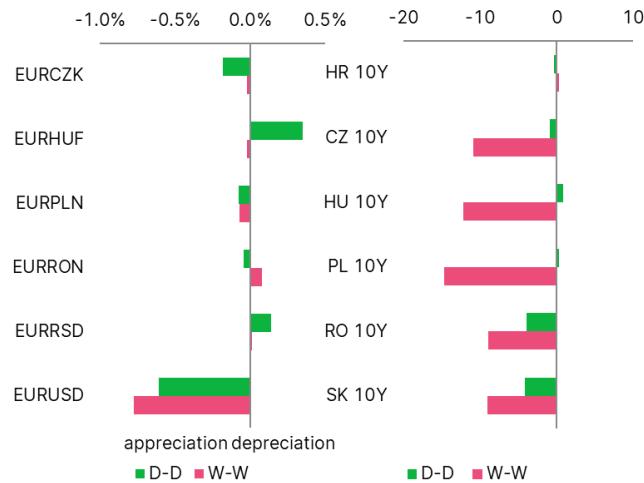


Source: Erste Group Research

Economic developments

Today we look a bit at German economy and implications for the region of recent development. First, we analyze development of manufacturing orders in Germany. After an extended period of contraction throughout 2022 and most of 2023, where year-on-year growth frequently hovered between -5% and -10%, the trend began to stabilize in early 2024. Since mid-2024, both the volatile monthly series and the smoother 3 month moving average have turned decisively upward, culminating in a sharp acceleration toward the end of 2025, where y/y orders pushed firmly into positive territory. Actually, the year-on-year growth at the end of 2025 was the strongest since Russia's invasion on Ukraine. Another indicator regarding stance of German economy we want to look at today is ZEW indicator. After a strong increase at the beginning of the year, expectations about Germany's economic situation stabilized in February at plus 58.3 points. The assessment of the current economic situation continues to improve, with the situation indicator for Germany rising by plus 6.8 points compared to the previous month and reaching minus 65.9 points. All in all, we read recent developments in Germany as positive for economic outlook of the CEE region.

Market performance



Source: Erste Group Research

Market developments

Romania's central bank Governor said he expects inflation to slow sharply from around 10% this year, though cautioned that policymakers were in no rush to cut interest rates. Romania's Governor underlined that strong evidence is needed for falling inflation that may reduce probability of rate cut before summer. Romania's Constitutional Court ruled in favor of legislation that increases the retirement age and limits judicial pensions. Further, the pension reform was an obligation under the terms of Romania's recovery and resilience program, giving the nation access to a portion of EU funds. In Poland, the Ministry of Finance sold PLN 13 billion worth of bonds against a strong demand of PLN 22.1 billion. Prime Minister Tusk noted that despite falling bond yields and high demand, the government does not intend to excessively use debt issuance opportunities. Since the beginning of the week, the long-term yields have declined, while volatility on the FX market has been limited.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
19. Feb		RS	Current Account Balance (monthly)	Dec			-555.60
	10:00	PL	Industrial Production (y/y)	Jan	1.2%		7.3%
	10:00	PL	PPI (y/y)	Jan	-2.3%		-2.5%
	10:00	PL	Wages (y/y)	Jan	6.9%		8.6%
	10:30	SK	Current Account Balance (monthly)	Dec			-337.50
	12:00	RS	CPI (y/y)	Jan	2.7%	2.6%	2.7%
	12:00	RS	CPI (m/m)	Jan			0.1%
20. Feb		SK	Unemployment Rate	Jan		5.3%	5.3%
	11:00	HR	Unemployment Rate	Jan		4.9%	4.6%
	11:00	HR	Wages (y/y)	Dec			6.2%
	10:00	PL	CPI (y/y)	Jan	1.90%	2.00%	2.40%
	10:00	PL	CPI (m/m)	Jan	0.50%	0.50%	
	14:00	PL	Trade Balance	Dec	-1777.20		-1087.00

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.21	-0.2	0.0
EUR/HUF	378.88	0.3	0.0
EUR/PLN	4.21	-0.1	-0.1
EUR/RON	5.09	0.0	0.1
EUR/RSD	117.26	0.1	0.0
EUR/USD	1.18	-0.6	-0.8

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.48	0	0
HUF	6.28	-1	-6
PLN	3.85	-1	-6
RON	5.80	-1	-3
RSD	4.68	0	0
EUR	2.01	-1	1

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.21	-1	-11
HU 10Y	6.43	1	-12
PL 10Y	4.88	0	-15
RO 10Y	6.31	-4	-9
HR 10Y	3.22	0	0
SK 10Y	3.22	-4	-9

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