

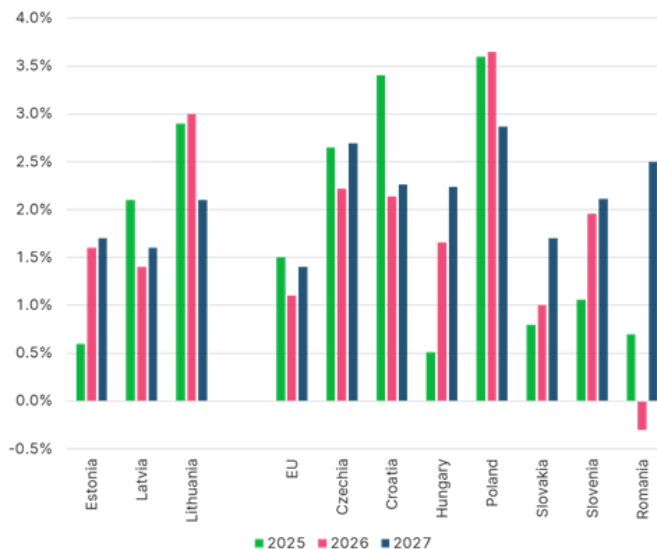
CEE MACRO AND FI DAILY

Baltics update: Recovering Growth

On the Radar

- In Hungary, the average gross wage increased by 8.7% y/y in May.
- Core inflation in Poland eased marginally toward 3% in June
- Today, Romania will release industrial output growth at 8 AM CET
- Producer prices in Czechia are due 9 AM CET
- Current account data will be published in Slovakia and Serbia

GDP growth in Baltics and CEE, %

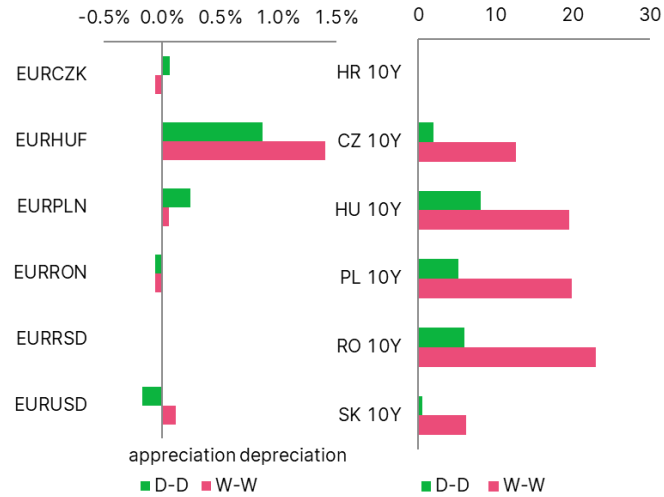


Source: Erste Group Research

Economic developments

The growth in Baltic countries is seen recovering, although performance of specific countries remains uneven. Having said that, Lithuania continued to outperform with growth close to 3%. Further, Latvia returned to firmer expansion after previous weakness, while Estonia finally exited its prolonged downturn, although its recovery remains unbalanced and heavily reliant on short-term inventory accumulation. In general, however, private consumption was key driver in all three Baltic countries. As far as inflation is concerned, it reaccelerated during 2026 following higher energy costs and renewed supply-chain pressures. Estonia continues to experience elevated inflation following tax changes, while transport-related costs have become a significant inflation driver in both Latvia and Lithuania. Finally, fiscal pressures continue to rise, and defense-related expenditure is driving wider fiscal deficits and higher public debt across all three countries. More detail available in the report: [Baltics | Recovering Growth Amid Rising Fiscal Pressures](#).

Market performance



Source: Erste Group Research

Market developments

Tensions in the Middle East continue and push the CEE currency pairs higher. EURHUF went toward 362 and EURPLN is as high as 4.33. Long term yields have also increased across the region as any increase in commodity prices will be fueling inflation expectations. In Poland, central banker Zarzecki already said that his base case is stability of rates at 3.75% at least this year and he warned that easing in 2026 would be premature and weaken the zloty. With higher price of oil, however, any speculations about interest rate cuts this year will be weakening. In Czechia, a government savings bond program was met with high demand as the subscriptions for Republic Bonds hit a record CZK 74 billion vastly exceeding the Finance Ministry's original CZK 20 billion plan. In Romania, on the other hand, demand at the 2028 and 2034 auctions was weaker but Ministry of Finance place RON 708 million of 2028 government papers and another RON 240 million of 2034 bonds.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
17. Jul		RS	Current Account Balance (monthly)	May			-274.40
	9:00	CZ	PPI (y/y)	Jun		1.20%	2%
	10:30	SK	Current Account Balance (monthly)	May			-486.12

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.20	0.1	-0.1
EUR/HUF	361.89	0.9	1.4
EUR/PLN	4.33	0.2	0.1
EUR/RON	5.23	-0.1	-0.1
EUR/RSD	117.19	0.0	0.0
EUR/USD	1.14	-0.2	0.1

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.84	1	3
HUF	5.65	0	0
PLN	3.81	-2	-2
RON	5.84	0	0
RSD	4.69	-1	-1
EUR	2.49	-1	11

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.82	2	13
HU 10Y	5.41	8	20
PL 10Y	5.52	5	20
RO 10Y	6.82	6	23
HR 10Y	3.36	0	0
SK 10Y	3.78	0	6

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