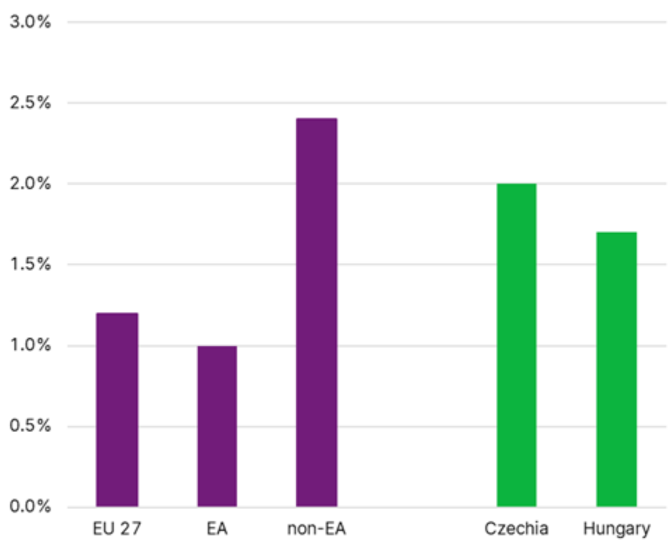
CEE MACRO AND FI DAILY

Growth holds for Czechia and Hungary

On the Radar

- Hungary's Q2 GDP grew by 1.7% y/y and Czech GDP by 2.0% y/y, both slightly below overall expectations but still signaling resilient growth, supported by domestic demand and services despite external headwinds, referencing yesterday's instant comments.
- Poland, Croatia, and Slovenia are scheduled to release initial CPI estimates for July later today.
- Serbia is scheduled to publish its preliminary Q2 GDP estimate today at 12:00 CET.
- Romania's Economic Sentiment Indicator recovered to 92.8 in July from an upwardly revised 91.7 in June.

Q2 2026 GDP growth (y/y)

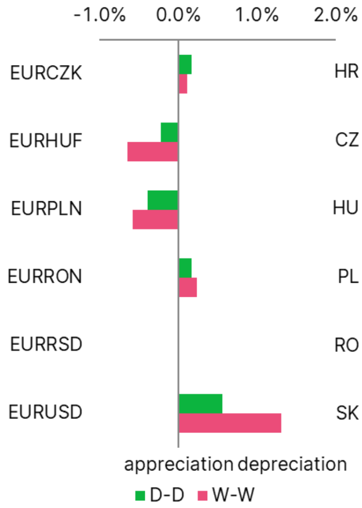


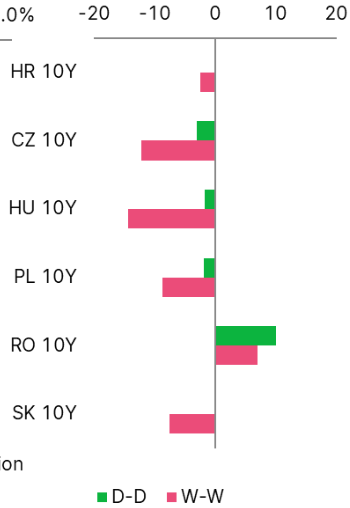
Source: Erste Group Research

Economic developments

Today, we take a closer look at yesterday's Q2 GDP releases from Czechia and Hungary, both of which continued to outperform the EU average despite modest downside surprises relative to market consensus. Czech GDP is estimated to have expanded by 2.0% y/y in Q2, below the 2.2% consensus. According to the Czech Statistical Office, growth was primarily supported by stronger household consumption and rising external demand. In Hungary, GDP increased by 1.7% y/y, matching the pace recorded in Q1 but falling slightly short of the 1.9% consensus. While the Hungarian government's latest policy measures have yet to feed through to activity, improving prospects for EU funding have supported confidence. Attention now turns to Serbia's Q2 GDP estimate due today, where growth is expected to moderate from Q1's 3.2%, with household consumption remaining the key driver, while EXPO related investment should provide support over the medium term.

Market performance





Source: Erste Group Research

Market developments

Global bond yields remained elevated after the Federal Reserve left its policy rate unchanged at 3.50-3.75% on Wednesday, although U.S. Treasury yields edged lower this morning following the post-meeting sell-off. Strong euro area GDP data and German preliminary inflation accelerating to 2.8% y/y in July from 2.3% in June bolstered expectations of an ECB rate hike in September. Meanwhile, Czech government bonds outperformed on Thursday following a well-received auction on Wednesday, while Poland reported that it had already covered most of its 2026 borrowing needs. CEE FX traded weaker in early dealings, with both EUR/HUF and EUR/CZK moving higher, although price action remained limited.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
31. Jul	**8:30**	**HU**	PPI (y/y)	Jun			-0.70%
	9:30	**PL**	CPI (y/y)	Jul P	3.00%	2.90%	2.50%
	9:30	**PL**	CPI (m/m)	Jul P		-0.50%	-0.50%
	10:30	**SI**	CPI (y/y)	Jul		3.20%	3.60%
	10:30	**SI**	CPI (m/m)	Jul			0.80%
	11:00	**HR**	CPI (y/y)	Jul P		4.20%	4.50%
	11:00	**HR**	CPI (m/m)	Jul P			-0.40%
	12:00	**RS**	Industrial Production (y/y)	Jun		0.50%	0.30%
	12:00	**RS**	Retail Sales (y/y)	Jun		7.00%	6.20%
	12:00	**RS**	Trade Balance	Jun			-617.40
	12:00	**RS**	GDP (y/y)	2Q P	2.80%	3.00%	3.20%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.19	0.2	0.1
EUR/HUF	361.88	-0.2	-0.6
EUR/PLN	4.30	-0.4	-0.6
EUR/RON	5.24	0.2	0.2
EUR/RSD	117.28	0.0	0.0
EUR/USD	1.15	0.6	1.3

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.85	-1	0
HUF	5.59	0	-1
PLN	3.82	0	1
RON	5.84	0	0
RSD	4.70	0	0
EUR	2.47	1	0

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.92	-3	-12
HU 10Y	5.48	-2	-14
PL 10Y	5.75	-2	-9
RO 10Y	6.86	10	7
HR 10Y	3.53	0	-2
SK 10Y	3.79	0	-8

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