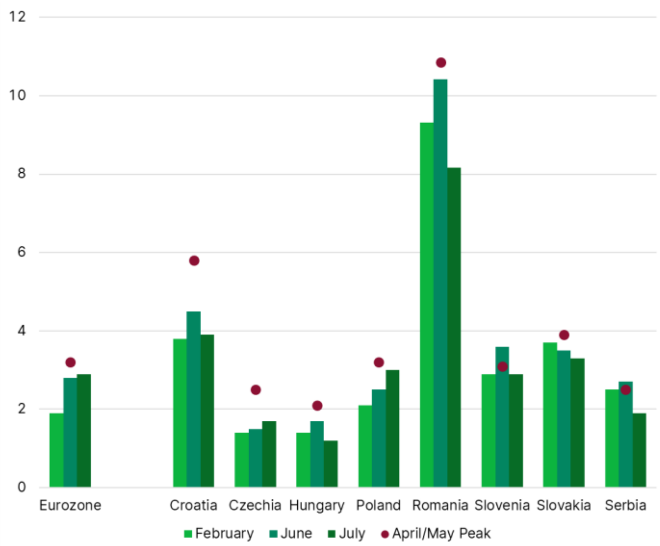
CEE MACRO AND FI DAILY

Inflation eases apart from Poland and Czechia

On the Radar

- Serbia's central bank left the key policy rate unchanged at 5.75%
- Poland's 2Q26 GDP accelerated to 3.8% y/y. Inflation in July increased to 3.0% y/y.
- Inflation in Slovakia eased to 3.3% y/y in July.
- In Romania, industry contracted by -5.2% y/y in June.
- In Croatia, producer prices eased to 4.7% y/y in July.
- Today, Romania, Slovakia and Slovenia will release 2Q26 GDP and we will follow with Growth Navigator early next week.
- Poland will show core inflation, while Romania year-to-date current account

Inflation development, % y/y

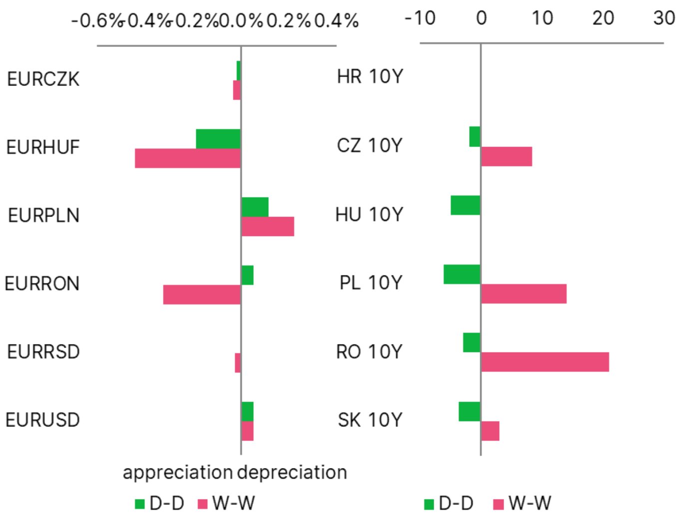


Source: Erste Group Research

Economic developments

Today, we summarize inflation developments in the region in July, before we shift our focus to 2Q26 GDP data. Apart from Czechia and Poland, inflation have declined further in July. The war in Iran triggered a clear but largely temporary inflation spike across the region (in April or May depending on the country), primarily through higher oil, gas and electricity prices. The impact was visible across most CEE economies, although its magnitude differed considerably, reflecting countries' energy exposure but also country's response and price interventions. The government's decision to end measures that had been mitigating retail fuel price increases where behind the acceleration of inflation in Poland to 3% y/y in July from June's 2.5% y/y (13.9% m/m increase in fuel prices) Food prices continued to decline marking the third consecutive monthly drop, but the decrease was not sufficient to offset the impact of higher fuel prices. Further, fuel prices will be behind further expected increase in inflation in coming months. The other countries worth mentioning are Hungary (inflation at 1.2% y/y sets the path for further monetary easing) and Romania, where inflation eased to 8.2% y/y. In Romania, we expect to see dynamic disinflation in the second half of the year with headline inflation falling toward 5.9% at the end of the year.

Market performance



Source: Erste Group Research

Market developments

Romanian central bank will consider lowering interest rates after the inflation rate drops below the benchmark rate, according to Governor Isarescu. As already mentioned, we expect to see such development toward the end of the year. At the turnout of 2026 and 2027 we thus believe the discussion to begin, and monetary easing should follow shortly. Serbia's central bank kept the policy rate unchanged at 5.75% citing below-expected inflation, though it flags risks from oil prices and geopolitics. Further, central bank expects lower 2026 inflation than in its May projection that may affect interest rate outlook. Romania shut down its sole nuclear plant while Hungary is trying to salvage the operation of its own facility as a persistent drought curbs Danube river flows and hampers the cooling of reactors. Apart from Czechia and Poland where yields have increased this week, in other countries 10Y yields are overall lower. On the FX market, the Polish zloty has weakened this week.

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

Analyst:
Katarzyna Rzentarzewska
+43 5 0100 17356
katarzyna.rzentarzewska@erstegroup.com

Upcoming releases in CEE

Release calendar new

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
14. Aug		**RO**	Current Account Balance (monthly)	Jun			-11425
	8:00	**RO**	GDP (q/q)	2Q A		0.5%	0.0%
	8:00	**RO**	GDP (y/y)	2Q A	-1.05%	0.1%	-1.2%
	9:00	**SK**	GDP (y/y)	2Q P		1.4%	0.9%
	10:30	**SI**	GDP (y/y)	2Q			3.0%
	11:00	**HR**	CPI (y/y)	Jul F			3.9%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.21	0.0	0.0
EUR/HUF	363.27	-0.2	-0.4
EUR/PLN	4.31	0.1	0.2
EUR/RON	5.23	0.1	-0.3
EUR/RSD	117.20	0.0	0.0
EUR/USD	1.15	0.1	0.1

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.84	0	1
HUF	5.55	0	-3
PLN	3.83	-2	0
RON	5.84	0	0
RSD	4.70	0	0
EUR	2.51	1	3

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.82	-2	8
HU 10Y	5.38	-5	0
PL 10Y	5.79	-6	14
RO 10Y	6.86	-3	21
HR 10Y	3.51	0	0
SK 10Y	3.79	-4	3

Group Research

Head of Group Research	
Friedrich Mostböck, CEFA®, CESGA®	friedrich.mostboeck@erstegroup.com
CEE Macro/Fixed Income Research	
Head: Juraj Kotian (Macro/FI)	juraj.kotian@erstegroup.com
Katarzyna Rzentarzewska (Fixed income)	katarzyna.rzentarzewska@erstegroup.com
Jakub Cery (Fixed income)	jaku.cery@erstegroup.com
Croatia/Serbia	
Alen Kovac (Head)	akovac2@hr.erstebank.com
Mate Jelić	mjelic1@erstebank.hr
Ivana Rogic	irogic@erstebank.com
Czech Republic	
David Navratil (Head)	dnavratil@csas.cz
Jiri Polansky	jpolansky@csas.cz
Michal Skorepa	mskorepa@csas.cz
Hungary	
Orsolya Nyeste	orsolya.nyeste@erstebank.hu
János Nagy	janos.nagy@erstebank.hu
Poland	
Piotr Bielski (Head)	piotr.bielski@erste.pl
Bartosz Białas	bartosz.bialas@erste.pl
Adrian Domitrz	adrian.domitrz@erste.pl
Marcin Luziński	marcin.luzinski@erste.pl
Grzegorz Ogonek	grzegorz.ogonek@erste.pl
Romania	
Ciprian Dascalu (Head)	ciprian.dascalu@bcr.ro
Vlad Nicolae Ionita	vlad.ionita@bcr.ro
Rares-Teodor Racovita	raresteodor.racovita@bcr.ro
Slovakia	
Maria Valachyova (Head)	valachyova.maria@slsp.sk
Marian Kocis	kocis.marian@slsp.sk
Maximilian Weber	weber.maximilian@slsp.sk
Major Markets & Credit Research	
Head: Rainer Singer	rainer.singer@erstegroup.com
Ralf Burchert, CEFA®, CESGA® (Sub-Sovereigns & Agencies)	ralf.burchert@erstegroup.com
Hans Engel (Global Equities)	hans.engel@erstegroup.com
Maurice Jiszda, CEFA®, CFDS® (USA, CHF)	maurice.jiszda@erstegroup.com
Peter Kaufmann, CFA® (Corporate Bonds)	peter.kaufmann@erstegroup.com
Heiko Langer (Financials & Covered Bonds)	heiko.langer@erstegroup.com
Stephan Lingnau (Global Equities)	stephan.lingnau@erstegroup.com
Maximilian Möstl (Credit Analyst Austria)	maximilian.moestl@erstegroup.com
Carmen Riefler-Kowarsch (Financials & Covered Bonds)	carmen.riefler-kowarsch@erstegroup.com
Bernadett Povazsai-Römhild, CEFA®, CESGA® (Corp. Bonds)	bernadett.povazsai-roemhild@erstegroup.com
Elena Statelov, CIIA® (Corporate Bonds)	elena.statelov@erstegroup.com
Gerald Walek, CFA® (Eurozone)	gerald.walek@erstegroup.com
CEE Equity Research	
Head: Henning Eßkuchen, CESGA®	henning.esskuchen@erstegroup.com
Daniel Lion, CIIA® (Technology, Ind. Goods&Services)	daniel.lion@erstegroup.com
Michael Marschallinger, CFA®	michael.marschallinger@erstegroup.com
Nora Varga-Nagy, CFA® (Telecom)	nora.varga-nagy@erstegroup.com
Christoph Schultes, MBA, CIIA® (Real Estate)	christoph.schultes@erstegroup.com
Thomas Unger, CFA® (Banks, Insurance)	thomas.unger@erstegroup.com
Vladimira Urbankova, MBA (Pharma)	vladimira.urbankova@erstegroup.com
Martina Valenta, MBA	martina.valenta@erstegroup.com
Croatia/Serbia	
Mladen Dodig (Head)	mladen.dodig@erstebank.rs
Magdalena Basic	mbasic@erstebank.hr
Ivan Lisec	ilisec@erstebank.hr
Boris Pevalek, CFA®	bpevalek@erstebank.hr
Marko Plastic	mplastic@erstebank.hr
Davor Spoljar, CFA®	dspoljar@hr.erstebank.com
Czech Republic	
Petr Bartek (Head, Utilities)	pbartek@csas.cz
Jan Bystřický	jbystricky@csas.cz
Hungary	
József Miró (Head)	jozsef.miro@ersteinvestment.hu
András Nagy	andras.nagy@ersteinvestment.hu
Poland	
Cezary Bernatek (Head)	cezary.bernatek@erstegroup.com
Piotr Bogusz	piotr.bogusz@erstegroup.com
Łukasz Jańczak	lukasz.janczak@erstegroup.com
Jakub Szkopek	jakub.szkopek@erstegroup.com
Krzysztof Tkocz	krzysztof.tkocz@erstegroup.com
Romania	
Caius Rapanu	caiusroa.rapanu@bcr.ro
Liviu-Mihai Bogdan	liviumihai.bogdan@bcr.ro

Group Markets

Head of Group Markets	
Oswald Huber	oswald.huber@erstegroup.com
Group Markets Retail and Agency Business	
Head: Martin Langer	martin.langer@erstegroup.com
Markets Retail Sales AT	
Head: Markus Kaller	markus.kaller@erstegroup.com
Group Markets Execution	
Head: Kurt Gerhold	kurt.gerhold@erstegroup.com
Retail & Sparkassen Sales	
Head: Uwe Kolar	uwe.kolar@erstegroup.com
Markets Retail Sales & PM SK	
Monika Pálová	palova.monika@slsp.sk
Markets Retail Sales HUN	
Head: Peter Kishazi	peter.kishazi@erstegroup.com
Markets Retail Sales CZ	
Head: Martin Vlcek	mavlcek@csas.cz
Markets Retail Sales & PM CRO	
Head: Neven Radaković	neven.radakovic@erstegroup.com
Head: Tamas Nagy	tnagy1@erstebank.hr
Markets Retail Sales & PM RO	
Head: Laura Hexan	laura.hexan@bcr.ro
GM Retail Products &Business Development	
Head: Michael Tröthann	michael.troethann@erstegroup.com
Group Treasury Markets	
Head: Valentin Popovici	valentin.popovici@erstegroup.com
MM Trading	
Head: Arsen Milasinovic	arsen.milasinovic@erstegroup.com
Collateral Trading, Management and Optimization	
Head: Danijela Lukic	danijela.lukic@erstegroup.com
Interest Rates and FX Options Trading	
Head: Martin Sramko	martin.sramko@erstegroup.com
FX Trading & Corporate Treasury Sales	
Head: Valentin Popovici	valentin.popovici@erstegroup.com
E-FX Trading	
Head: Helmut Kroboth	helmut.kroboth@erstegroup.com
CEE FX Trading	
Head: Juraj Zabadal	juraj.zabadal@erstegroup.com
Markets Corporate Sales AT	
Head: Martina Kranzl-Carvell	martina.kranzl-carvell@erstegroup.com
Markets Corporate Sales HUN	
Head: Adam Farago	adam.farago@erstegroup.com
Markets Corporate Sales CRO	
Head: Neven Radaković	neven.radakovic@erstegroup.com
Markets Corporate Sales CZ	
Head: Tomas Picek	tpicek@csas.cz
Markets Corporate Sales RO	
Head: Bogdan Ionut Cozma	ionut.cozma@bcr.ro
Markets Corporate Sales SK	
Head: Lubomir Hladik	lubomir.hladik@erstegroup.com
Group Securities Markets	
Head: Thomas Einramhof	thomas.einramhof@erstegroup.com
Institutional Distribution Core	
Head: Jürgen Niemeier	juergen.niemeier@erstegroup.com
Institutional Distribution CEE & Insti AM CZ	
Head: Antun Burić	antun.buric@erstegroup.com
Institutional Distribution DACH+	
Head: Marc Friebertshäuser	marc.friebertshaeuser@erstegroup.com
Institutional Asset Management CZ	
Head: Petr Holeček	pholecek@csas.cz
Group Institutional Equity Sales	
Head: Michal Řízek	mrizek@csas.cz
Czech Republic	
Head: Michal Řízek	mrizek@csas.cz
Poland	
Head: Jacek Jakub Langer	jacek.langer@erstegroup.com
Croatia	
Matija Tkaličanac	mtkalicanac@erstebank.com
Hungary	
Peter Csizmadia	peter.csizmadia@erstegroup.com
Romania	
Adrian Barbu	adriannicola.barbu@bcr.rom
Group Fixed Income Securities Markets	
Head: Goran Hoblaj	goran.hoblaj@erstegroup.com
Fixed Income Flow Sales	
Head: Goran Hoblaj	goran.hoblaj@erstegroup.com
Bernd Thaler	bernd.thaler@erstegroup.com
Group Fixed Income Securities Trading	
Head: Goran Hoblaj	goran.hoblaj@erstegroup.com
Credit Trading	
Head: Christoph Fischer-Antze	christoph.fischer-antze@erstegroup.com
CEE Rates Trading	
Head: Peter Provotiak	peter.provotiak@erstegroup.com
Euro Government Bonds Trading	
Head: Gottfried Ziniel	gottfried.ziniel@erstegroup.com
Group Equity Trading & Structuring	
Head: Ronald Nemec	ronald.nemec@erstegroup.com
Group Markets Financial Institutions	
Manfred Neuwirth	manfred.neuwirth@erstegroup.com
Group Financial Institutions	
Head: Christina Linzer	christina.linzer@erstegroup.com
Group Non-Bank Financial Institutions	
Head: Michael Aschauer	michael.aschauer@erstegroup.com

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 of 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

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