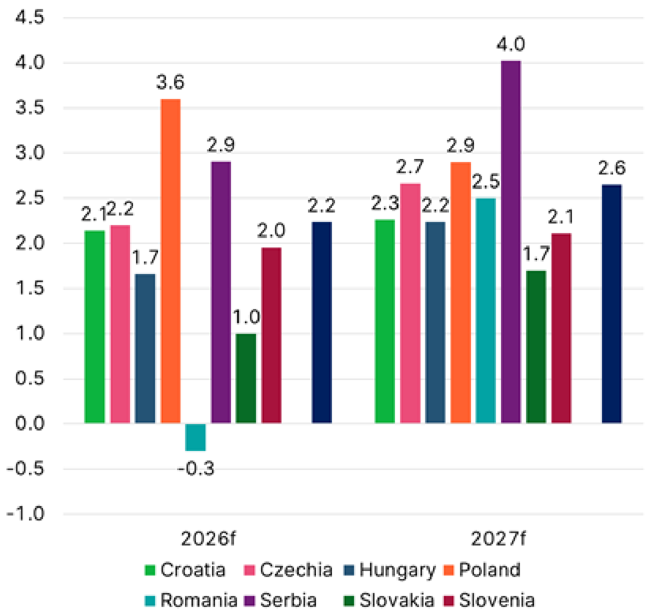
CEE MACRO AND FI DAILY

CEE growth remains resilient

On the Radar

- Current account deficit reached in June EUR -226 million in Slovakia and EUR-885.7 million in Serbia.
- Today, Poland has series of releases scheduled: industrial output, producer prices, employment and wage growth in July.
- Slovakia is expected to release unemployment rate for July.

GDP forecast, %

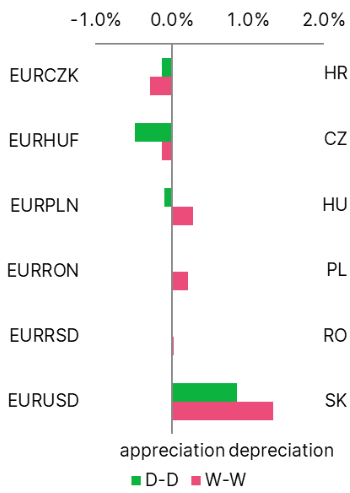


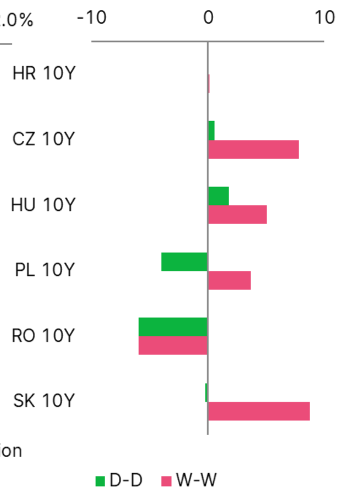
Source: Erste Group Research

Economic developments

Our latest [CEE Outlook | Growth Navigator in response to 2Q26 GDP data]() summarizes recent economic developments in the region and changes in expectations for the reminder of the year. First of all, it is worth to underline that, despite the conflict in Middle East, CEE region's performance was solid in the first half of the year. Overall, most CEE countries will grow around 2% this year, with Poland and Serbia outperforming (growth expected above 3%). Finally, Romania is likely to suffer from recession and we keep seeing risks to the downside in Slovakia. Further, price pressures remain contained across the region as inflation eased in most of the CEE countries (Czechia and Poland are exceptions) and 2026 average forecast was revised downward in several CEE countries. Romania should see strong disinflation in the second half of the year and at the run of 2026 and 2027 the discussion on rate cuts in Romania should begin. Hungary continues its monetary easing cycle, while in Serbia we see risks for rate cuts in the course of 1H27 once inflation forecasts are adjusted further downward.

Market performance





Source: Erste Group Research

Market developments

In Poland, the government has presented proposals to reduce the tax burden on the middle class, i.e., to lower personal income tax (PIT) for individuals earning more than PLN120k annually. In our view, the cost of these proposals will amount to approximately PLN10bn and is to be financed by higher tax levies elsewhere, most notably a higher corporate income tax (CIT) rate for the largest companies. The changes are intended to be neutral for the budget deficit. From the debt market's perspective, the government's proposal is rather positive news, as it does not confirm concerns that have been building recently about possible pre-election promises that could increase the fiscal deficit in 2027. In Hungary, Prime Minister Magyar marked the Tisza government's first 100 days by claiming roughly HUF 1,000 bn improvement in the budget balance and the unblocking of previously frozen EU funds via rule-of-law and anti-corruption steps. Further, the government plans to submit legislation this autumn to join the European Public Prosecutor's Office. Finally, in Croatia, central government revenues are tracking slightly above plan with the deficit set to stay below 3% of GDP, but local budgets remain under pressure.

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

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

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
20. Aug		SK	Unemployment Rate	Jul			5.2%
	9:30	PL	Industrial Production (y/y)	Jul	5.07%	5.9%	7.6%
	9:30	PL	PPI (y/y)	Jul	2.44%	2.0%	1.7%
	9:30	PL	Wages (y/y)	Jul	6.20%	6.2%	5.9%
21. Aug	10:30	SI	PPI (y/y)	Jul			2.4%
	11:00	HR	Unemployment Rate	Jul			3.3%
	11:00	HR	Wages (y/y)	Jun			2.6%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.14	-0.1	-0.3
EUR/HUF	363.47	-0.5	-0.1
EUR/PLN	4.31	-0.1	0.3
EUR/RON	5.24	0.0	0.2
EUR/RSD	117.23	0.0	0.0
EUR/USD	1.17	0.9	1.3

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.85	0	1
HUF	5.54	0	-1
PLN	3.83	-1	-2
RON	5.84	0	0
RSD	4.70	0	0
EUR	2.49	-1	-1

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.92	1	8
HU 10Y	5.48	2	5
PL 10Y	5.88	-4	4
RO 10Y	6.83	-6	-6
HR 10Y	3.51	0	0
SK 10Y	3.91	0	9

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