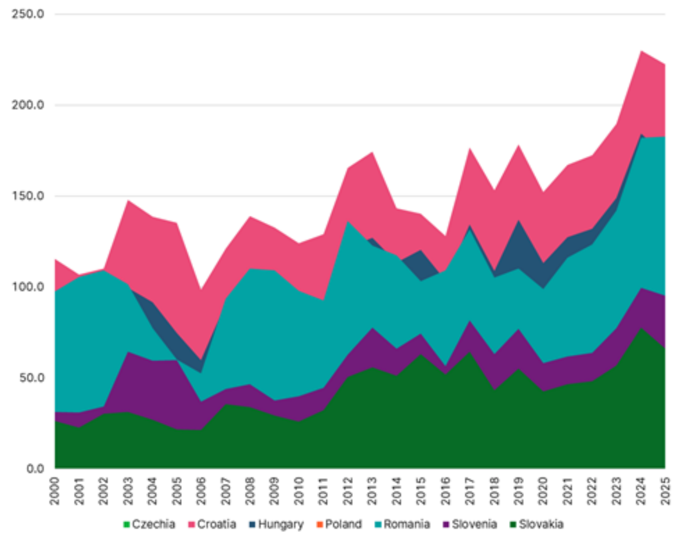
CEE MACRO AND FI DAILY

Cooling Demand Gains Importance in CEE

On the Radar

- Industry grew in Poland by 5.1% y/y in July. Producer prices increased by 2.8% y/y. Wage growth accelerated to 6.8% y/y in July while employment contracted by -0.8% y/y.
- Unemployment rate in Slovakia landed at 5.28%
- Today, July's producer prices are due in Slovenia alongside real wage growth in June.
- Croatia will publish unemployment rate in July and real wage growth in June.

Number of cooling days, 3Y moving average

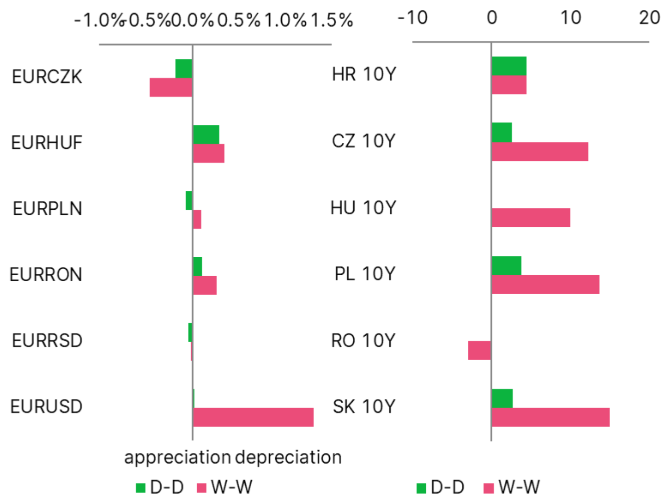


Source: Erste Group Research

Economic developments

A powerful storm accompanied by torrential rain and strong winds swept through Bratislava on 20 August 2026. It demonstrated that even relatively short-lived storms can generate significant damage to vehicles, buildings and public infrastructure, interrupt urban transport and business activity, and require additional municipal spending on emergency response, clean-up and repairs. Extreme weather events have become more frequent amid high temperatures. One possible indicator showing the impact of climate change is the number of colling days in the region. Cooling degree day index is a weather-based technical index designed to describe the need for the cooling (air-conditioning) requirements of buildings published by Joint Research Center. The number of cooling degree days has increased visibly across CEE over the past 25 years, pointing to a structural rise in the need for air conditioning and cooling. Heating and cooling account for non-negligible share of final energy consumption in the EU, predominantly in buildings.

Market performance



Source: Erste Group Research

Market developments

Today, after market closes, Fitch Ratings will publish Poland's review of rating and outlook. Our baseline scenario assumes no change of the rating, although fiscal situation in Poland remains challenging. Further, the broadly budget-neutral tax package should be supporting factor for sustaining current rating. The Polish zloty and the Hungarian forint have weakened against the euro this week, while the Czech koruna has strengthened slightly. Czechia's Finance Minister signaled that the 2027 deficit will rise from this year's CZK 310bn but stay below CZK 400bn (that is close to 3% of GDP). Czechia's Ministry of Finance lowered slightly 2026 growth forecast to 1.9% and inflation expectations toward 2.2% this year. In Serbia, on the other hand, central bank increase GD forecast to 3.2% in 2026 as first half of the year was quite strong.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
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	24.10	-0.2	-0.5
EUR/HUF	364.53	0.3	0.3
EUR/PLN	4.31	-0.1	0.1
EUR/RON	5.25	0.1	0.3
EUR/RSD	117.18	0.0	0.0
EUR/USD	1.17	0.0	1.3

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.85	0	1
HUF	5.54	0	-1
PLN	3.84	1	1
RON	5.84	0	0
RSD	4.70	0	0
EUR	2.51	2	0

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.95	3	12
HU 10Y	5.48	0	10
PL 10Y	5.92	4	14
RO 10Y	6.83	0	-3
HR 10Y	3.56	4	4
SK 10Y	3.94	3	15

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