

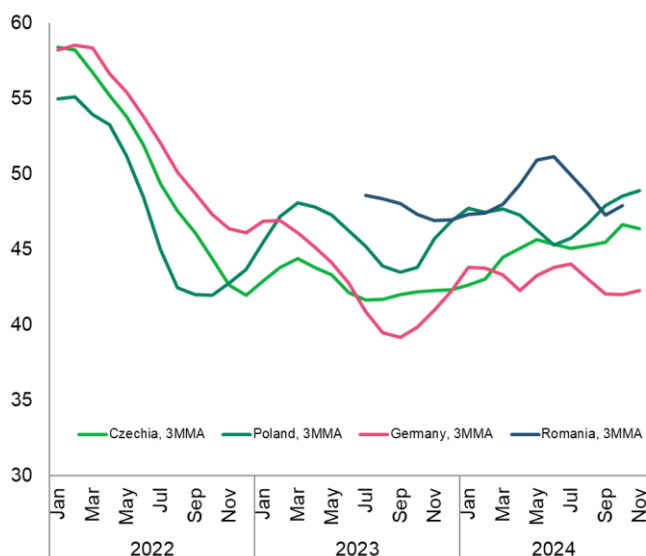
CEE MACRO AND FI DAILY

Test title CEE Macro Daily

On the Radar

- PMI Indices in manufacturing went marginally down in Czechia, Romania and Poland in November, while in Hungary, November's PMI Index ticked up.
- In Romania unemployment rate declined to 5.4% in October.
- In Hungary trade balance reached EUR 949 million.
- At noon CET, Serbia will publish 3Q24 GDP structure.
- There are no other releases scheduled for today.

Manufacturing PMI Index



Source: Erste Group Research

Economic developments

Manufacturing PMI Indices remain in the contraction zone in most of the CEE countries. The only exception is Hungary, where locally calculated PMI Index went up to 50.3 in November. In contrary, PMI index declined slightly in Czechia, Romania and Poland to 46, 48 and 48.9 respectively. In Romania, faster decreases in output and new orders were signaled in November. In Poland, the fastest decline in new orders in three months was the reason behind the fall of production. In Czechia, in response to lower new orders, companies were cutting input buying and reducing their stock levels. The worsening sentiment in the manufacturing sector goes hand in hand with the development of the Economic Sentiment Indicator that, on average in the region, is the weakest since the beginning of the year. Overall, weak domestic and external demand conditions weighed on the pace of recovery.

Market performance



Source: Erste Group Research

Market developments

On Friday evening, Moody's kept the Hungary's rating at Baa2 but changed the stable outlook to negative. The decision is based on the faltering EU resources, and credit rating agency expectations that Hungary could lose some of the resources by the end of this year. Further Moody's state that developments in Germany burden the outlook of the Hungarian economy. All together, these factors weaken the country's fiscal health. In Romania's parliamentary elections that were held over the weekend, the Social Democrats won the parliamentary election held on Sunday, with the far-right Alliance for the Unity of Romanians falling behind. The pro-European parties should control around 63% of the new parliament. Far right forces combined should have around 37% of the seats in the new parliament. That comes after the surprising victory of far-right candidate Georgescu in the first round of presidential elections that were held at the end of November. This development impacted the Romanian bond market. As a consequence, long-term yields increased at the beginning of the last week, but it seems that the situation has stabilized, with the 10Y yield close to 7.3% at the beginning of the week. Over last week, the Hungarian forint weakened against the euro, as opposed to the Czech koruna or the Polish zloty. This week, the Polish central bank holds a rate-setting meeting, and the interest rate decision will be announced on Wednesday. We do not expect any change in the key policy rate.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
02. Dec	08:00	RO	Unemployment Rate	Oct			5.50%
	08:30	HU	Trade Balance	Sep F			1233.00
	12:00	RS	GDP (y/y)	3Q F		3.10%	3.10%
03. Dec	08:00	RO	PPI (y/y)	Oct			-1.65%
	08:30	HU	GDP (q/q)	3Q F	-0.70%		-0.70%
	08:30	HU	GDP (y/y)	3Q F	-0.80%		-0.80%
04. Dec		PL	Central Bank Rate	Dez 24	5.75%	5.75%	5.75%
	09:00	CZ	Wages (y/y)	3Q	0.04	4.10%	3.90%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.22	-0.1	-0.4
EUR/HUF	412.41	-0.3	0.3
EUR/PLN	4.30	-0.1	-0.8
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.78	0.0	0.0
EUR/USD	1.06	0.2	1.5

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.89	0	-1
HUF	6.50	0	0
PLN	5.85	0	0
RON	5.93	1	18
RSD	4.71	0	-3
EUR	2.93	0	-9

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.89	0	-1
HU 10Y	6.15	-7	-20
PL 10Y	5.47	-4	-8
RO 10Y	7.29	11	13
HR 10Y	3.19	-1	-1
SK 10Y	3.00	-3	-17

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