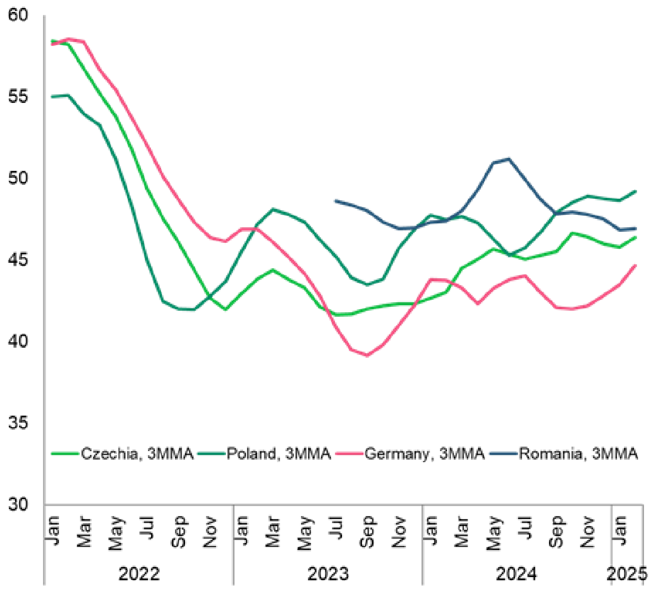
CEE MACRO AND FI DAILY

PMIs in CEE tick up, Poland and Hungary rise above 50-point threshold

On the Radar

- Unemployment rate in Romania arrived at 5.5% in January.
- Producer prices declined by -0.1% y/y in January.
- 4Q24 GDP growth in Hungary was confirmed at 0.4% y/y driven by household consumption.

Manufacturing PMI Indices

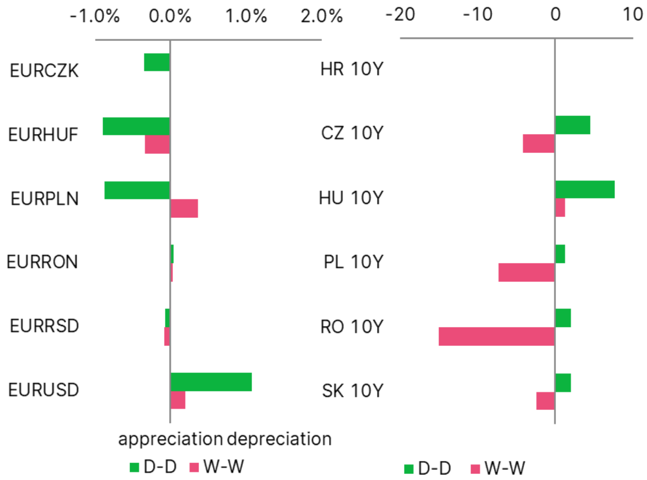


Source: Erste Group Research

Economic developments

Manufacturing PMI indices increased in February across the region. In Hungary and Poland, they were above the threshold of 50. In Poland, PMI index entered the expansion territory for the first time in three years. New orders, production and employment all increased during the month in Poland pushing the PMI to 50.6. More importantly, the trend (three month moving average) has been upward since mid-2024. In Czechia and Romania, manufacturing PMI remained below the threshold of 50. In Czechia, the manufacturing sector's performance deteriorated at the weakest pace since June 2022, however. In Romania, February's PMI at 48.3 should be taken as a positive sign as it implies a lesser proportion of negative responses as opposed to the prior month. All components but suppliers' delivery times made a positive directional contribution in February. The biggest improvements were seen regarding new orders, output, and stocks of purchases. What is more important for the economic prospects of the region, however, is that Manufacturing PMI in Germany has been picking up lately. The situation has been improving slowly but surely as three-month moving average is the highest since the beginning of 2023.

Market performance



Source: Erste Group Research

Market developments

The US President Trump ordered the pause of military aid to Ukraine in the aftermath of recent clash. As far as tariffs are concerned Trump delivered on his promises to impose the 25% tariffs on Canada and Mexico and raised the tariffs on China to 20%. The CEE currencies have been holding strong. On the bond market the long-term yields did not move much. There is no other market related news.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
04. Mar	**08:00**	**RO**	Unemployment Rate	Jan			5.2%
	08:00	**RO**	PPI (y/y)	Jan			-0.7%
	08:30	**HU**	GDP (q/q)	4Q F			0.5%
	08:30	**HU**	GDP (y/y)	4Q F			0.4%
05. Mar	**09:00**	**CZ**	CPI (y/y)	Feb P		2.5%	2.8%
	09:00	**CZ**	CPI (m/m)	Feb P		0.0%	1.3%
	11:00	**HR**	Retail Sales (y/y)	Jan		4.5%	6.5%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.97	-0.3	0.0
EUR/HUF	399.70	-0.9	-0.3
EUR/PLN	4.15	-0.9	0.4
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.97	-0.1	-0.1
EUR/USD	1.05	1.1	0.2

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.73	0	-1
HUF	6.50	0	-1
PLN	5.86	0	-1
RON	5.93	0	0
RSD	4.70	0	0
EUR	2.46	0	-6

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.05	4	-4
HU 10Y	6.58	8	1
PL 10Y	5.74	1	-7
RO 10Y	7.33	2	-15
HR 10Y	3.09	0	0
SK 10Y	3.32	2	-2

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