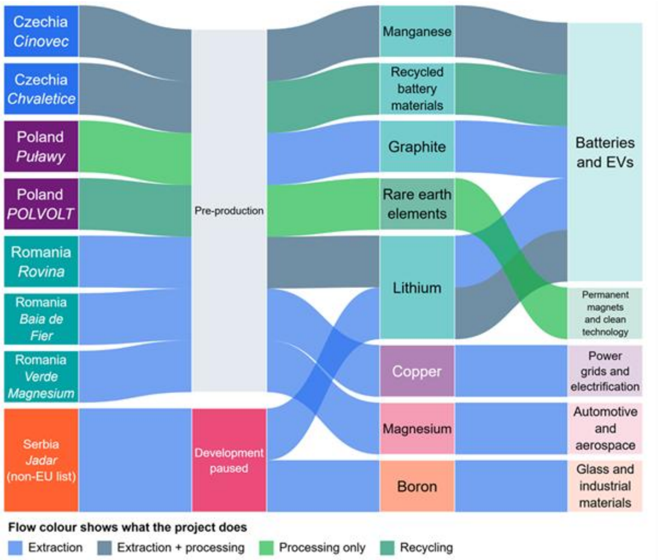
CEE MACRO AND FI DAILY

CEE and the race for critical raw materials

On the Radar

- Hungary’s current account recorded a EUR 0.25bn deficit in Q2 2026.
- Hungarian Central Statistical Office data showed the unemployment rate rising to 4.7%.
- Today, Slovakia releases producer price data for August at 9:00 CET.
- In Slovenia, retail sales data for August will be released at 10:30 CET.

Selected CRMA strategic projects in CEE by status and end use

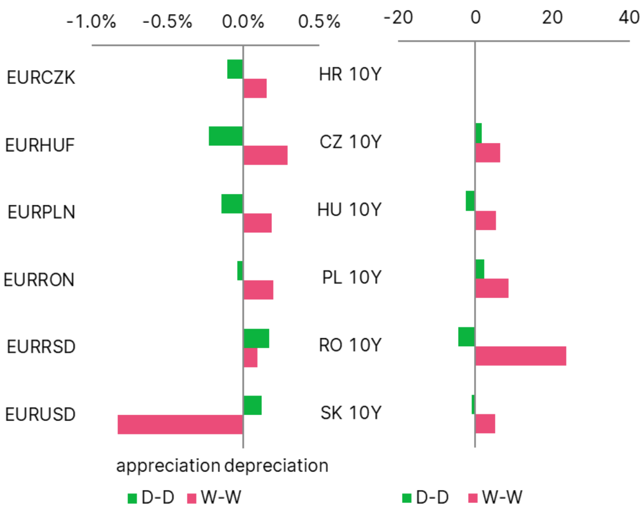


Source: Erste Group Research

Economic developments

Today we start the week by looking at CEE's place in Europe's race for critical raw materials, and what it could mean for the region's industrial future. The EU's Critical Raw Materials Act (CRMA), in force since 2024, aims by 2030 to source 10% of strategic materials through domestic extraction, 40% through processing and 25% through recycling, while limiting reliance on any single third country. For the region, the significance is less the €22.5bn gross headline than what it could unlock in capex and employment as projects move towards construction. Czechia's Cínovec, Europe's largest hard-rock lithium deposit, has been awarded up to €360mn in state support, pending final sign-off, and is majority-owned by CEZ. Romania's Rovina Valley, a major copper-gold deposit, is exploring up to $400mn in additional financing on top of an existing $200mn facility. Looking ahead, lithium can deepen the automotive and battery value chain, while copper links mining investment to grids, electrification and the growing power needs of data centres. At the same time on the near term, the impact should come through construction, procurement and labour demand. On the longer term however, higher domestic production could improve import substitution, value added and industrial capacity. Since most projects remain pre-production, timing from announced investment to output remains uncertain. Yet, with more than 160 applications (EU + Extra EU) submitted in the CRMA's second project call, the pipeline is expanding and CEE's role in Europe's raw-material supply chain is becoming stronger.

Market performance



Source: Erste Group Research

Market developments

Based on the relatively hawkish messages from Hungarian central bank, which kept rates unchanged last week and announced lowering of inflation target, the prospects of rate cuts seem off the table for the coming months; we thus adjusted the interest rate outlook accordingly and expect stability of rates until 2Q27. On the political side, PM Péter Magyar signalled that the proposed wealth tax rate could exceed 1% for fortunes above HUF 500bn. Romania remains a key regional story, with the 10Y yield still elevated at 7.42% and up 24bp on the week ahead of the upcoming S&P review, reflecting persistent fiscal credibility concerns and leaving risk premia vulnerable to rating-related headlines. In FX, moves were generally modest across the region, with the leu broadly stable, the forint and zloty slightly weaker against the euro on the week.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
28. Sep	**9:00**	**SK**	PPI (y/y)	Aug			2.70%
	10:30	**SI**	Retail Sales (y/y)	Aug		3.00%	5.20%
29. Sep			No releases scheduled				

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.34	-0.1	0.2
EUR/HUF	364.87	-0.2	0.3
EUR/PLN	4.37	-0.1	0.2
EUR/RON	5.27	0.0	0.2
EUR/RSD	117.36	0.2	0.1
EUR/USD	1.14	0.1	-0.8

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.87	1	2
HUF	5.50	2	3
PLN	3.86	3	1
RON	5.97	4	13
RSD	4.70	0	0
EUR	2.61	-1	-1

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	5.37	2	6
HU 10Y	5.80	-2	5
PL 10Y	6.36	2	9
RO 10Y	7.42	-4	24
HR 10Y	3.92	0	0
SK 10Y	4.32	-1	5

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