

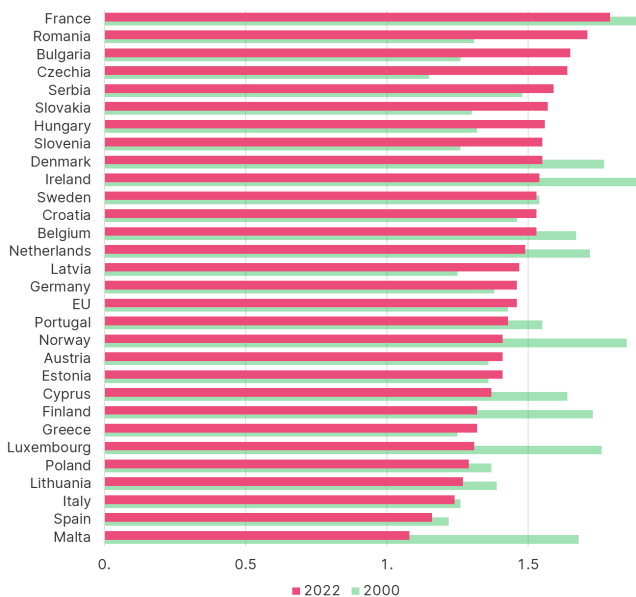
CEE MACRO AND FI DAILY

Fertility rates slightly improve in CEE, except for Poland

On the Radar

- Trade balance in Romania landed at EUR -1.96 billion.
- In Czechia, February's inflation eased to 2.0% y/y hitting the central bank's target.
- At 10.00 central bank in Poland will present new inflation and growth projection.
- At 10.30 AM CET Slovenia will release industrial output growth in January.
- At 11 AM CET in Croatia producer prices will be published.
- Tomorrow in the morning retail sales in Czechia will be released.

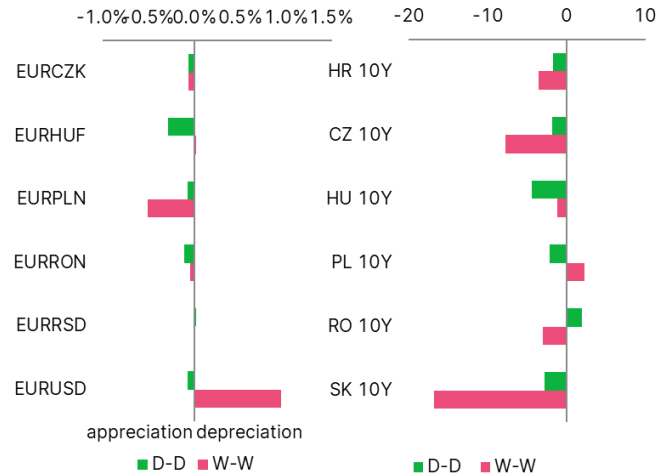
Total fertility rate, live births per woman Economic developments



Source: Erste Group Research

In 2022, France had the highest total fertility in the European Union (1.79 live births per woman), followed by Romania (1.71), Bulgaria (1.65), and Czechia (1.64). In contrast, the lowest fertility rates were seen in Malta (1.08 births per woman), Spain (1.16) and Italy (1.24). In the region Poland had the lowest fertility rate at 1.27. The only CEE country with total fertility rate well below the EU average of 1.46. Poland not only has the lowest fertility rate in the region but as opposed to the peers the total fertility rate dropped over last two decade. In contrast, in Czechia it went up by as much as 0.5 and in Romania by 0.4. One major impact of demography on economic growth is the size and structure of the workforce. A growing population with a large proportion of working-age individuals can provide a boost to an economy by increasing the labor force. Currently, the working age population has been declining and it is projected to shrink further in the decades to come.

Market performance



Source: Erste Group Research

Market developments

The Czech koruna and the Hungarian forint are holding steady against the Euro, while the Polish zloty has gained over the last week. The EURPLN is close to 4.30, supported by the stability of the rates scenario pursued by the central bank and the political developments (inflow of EU funds). Both Hungary and Poland are experiencing clashes between the government and the central bank authorities. In Hungary, the potential threat to central bank independence seems to be keeping the Hungarian forint weaker. In Poland, we see quite a limited impact on the Polish zloty from the ongoing clash. On Friday, the central bank released an opinion warning that the attempts to remove Glapinski undermine the central bank's independence. However, the document was not signed by three members of the MPC. Over the previous week, long-term yields moved down more visibly, but it was a mixed bag across the region, and the changes were not significant. This week, Czechia, Poland, and Romania will be active on the bond market.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
11. Mar	08:00	RO	Trade Balance	Jan			-342920.00%
	09:00	CZ	CPI (y/y)	Feb	2.20%		2.30%
	09:00	CZ	CPI (m/m)	Feb			1.50%
	10:30	SI	Industrial Production (y/y)	Jan		-7.00%	-10.20%
	11:00	HR	PPI (y/y)	Feb			-1.44%
12. Mar	09:00	CZ	Retail	Jan			1.60%
	12:00	RS	CPI (y/y)	Feb	5.70%		0.06
	12:00	RS	CPI (m/m)	Feb			0.30%
	12:00	RS	Trade Balance	Jan			-107290.00%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.30	-0.1	-0.1
EUR/HUF	393.90	-0.3	0.0
EUR/PLN	4.29	-0.1	-0.5
EUR/RON	4.96	-0.1	0.0
EUR/RSD	117.08	0.0	0.0
EUR/USD	1.09	-0.1	1.0

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	5.94	-1	-4
HUF	8.12	-3	-12
PLN	5.86	1	1
RON	6.08	0	0
RSD	5.69	0	-2
EUR	3.94	1	0

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.65	-2	-8
HU 10Y	6.09	-4	-1
PL 10Y	5.26	-2	2
RO 10Y	6.47	2	-3
HR 10Y	3.24	-2	-4
SK 10Y	3.44	-3	-17

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