

CEE MACRO AND FI DAILY

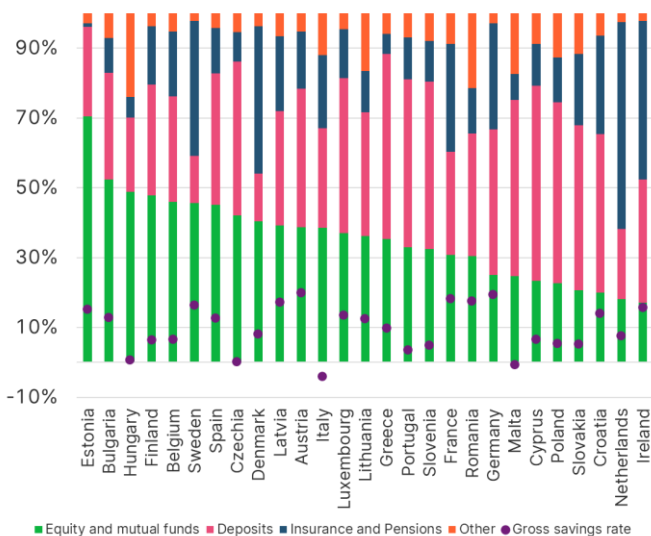
Financial assets of households in CEE

On the Radar

- Polish central bank kept policy rate unchanged at 5.75%.
- Retail sales in Czechia (excluding auto) landed at 6.1% y/y in March.
- Trade surplus in Slovakia reached EUR 577.4 million in March.
- Trade balance in Croatia, while producer prices declined by -2.0% y/y in March.
- Producer prices in Serbia grew 1.3% y/y in March.
- Trade deficit in Romania arrived at EUR 2.54 billion.
- Inflation rate in Hungary increased marginally 3.7% y/y April.
- Industrial output in Slovakia declined by -6.9% y/y in March.
- Unemployment rate in Czechia landed at 3.7%
- Today, Serbian central bank will hold a rate decision and no change in key policy rate is expected.

Households' financial assets' structure as of 4Q24

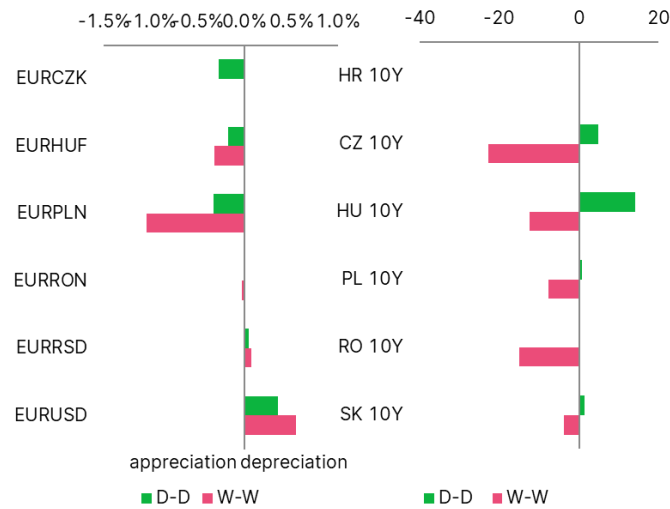
Economic developments



The structure of financial assets differs in the CEE region as of 4Q2023. The most "advanced" investors appear to be households in Hungary, having almost 50% of their financial assets in equity and mutual funds. On the other hand, Poland, Slovakia and Croatia seem to be the most conservative, as all of them have around 50% of their financial wealth in deposits. Further, gross savings rate is dispersed independently from the asset structure, with Hungary and Czechia unable to save in 4Q23, while Austria and Romania lead the EU with around 20% savings rate. The gross saving rate (as of 4Q23) was in recent period strongly impacted by the decline of real wages as inflation was exceptionally high.

Source: Erste Group Research

Market performance



Source: Erste Group Research

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Market developments

The central bank's decisions dominate markets' news today. Polish MPC kept the policy rate unchanged at 5.75% on Thursday. The fear of inflation going up in the second half of the year on the back of revived tax on food and higher energy prices is decisive factor for interest rate stability in Poland. Today in the afternoon, Governor Glapinski holds a press conference. At noon, Serbian central bank will announce the interest rate decision and we expect no change as it waits for the major central banks to make a move first. The CEE currencies have been strengthening since the beginning of the week against the euro. EURCZK dropped below 25, while EURPLN below 4.30. On the bond market we have seen yields moving marginally up only in Hungary this week.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
10. May		SK	Industrial Production (y/y)	Mar		-1.50%	-0.80%
	8:00	RO	Trade Balance	Mar			-2174.00
	8:30	HU	CPI (y/y)	Apr		3.60%	3.60%
	8:30	HU	CPI (m/m)	Apr		0.70%	0.8%
	10:30	SI	Industrial Production (y/y)	Mar		2.50%	2.80%
	12:00	RS	Central Bank Rate	May 9		6.50%	6.5%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.92	-0.3	0.0
EUR/HUF	387.69	-0.2	-0.3
EUR/PLN	4.28	-0.3	-1.0
EUR/RON	4.97	0.0	0.0
EUR/RSD	117.04	0.0	0.1
EUR/USD	1.08	0.4	0.6

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	5.17	-1	-33
HUF	7.39	-1	-9
PLN	5.86	0	0
RON	6.05	0	0
RSD	5.69	0	0
EUR	3.81	-1	-5

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.02	5	-23
HU 10Y	6.91	14	-12
PL 10Y	5.59	1	-8
RO 10Y	6.70	0	-15
HR 10Y	3.25	0	0
SK 10Y	3.51	2	-4

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Published by:

Erste Group Bank AG
Group Research
1100 Vienna, Austria, Am Belvedere 1
Head Office: Wien
Commercial Register No: FN 33209m
Commercial Court of Vienna

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