

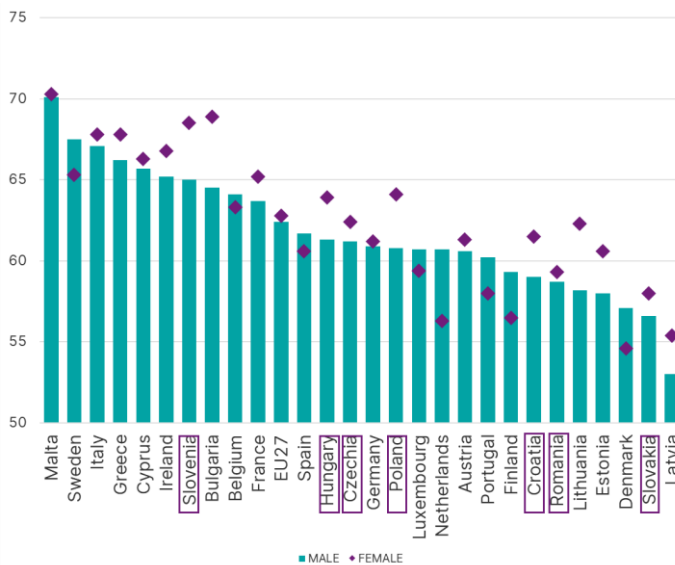
CEE MACRO AND FI DAILY

Health as a prerequisite for longer working life

On the Radar

- Today, real wage growth will be published in Slovenia.
- Tomorrow in the morning, unemployment rate in Hungary and producer prices are due in Hungary and Slovakia.
- Otherwise, there are no other macro releases in the region.

Number of healthy life years (HLY) at birth

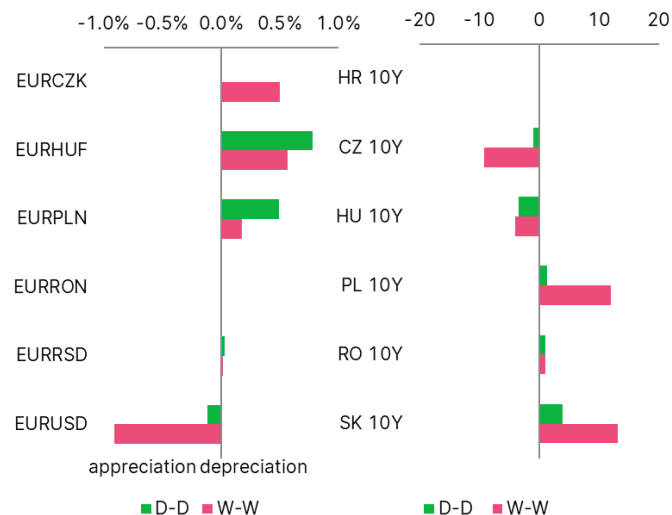


Source: Erste Group Research

Economic developments

The indicator Healthy Life Years (HLY) at birth measures the number of years that a person at birth is still expected to live in a healthy condition. All CEE countries but Slovenia have expected number of healthy years below the EU average. Slovakia has the lowest expected number of healthy years at birth that is 57.3 (HLY of male population is at 56.6 while female population at 58). Romania and Croatia have the HLY indicator below 60 as well. In general, in the region, female population has higher expected number of healthy years at birth. Despite that, in Hungary and Poland, women have lower retirement age than men. All in all, improving health outcomes could enhance longer labor market participation. We see it as a prerequisite for longer working life and prosperity. At this point, we see the health status as one of the obstacles to why people cannot or do not want to work longer.

Market performance



Source: Erste Group Research

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Market developments

The CEE currencies weakened on Wednesday, and all the pairs- EURCZK, EURHUF, and EURPLN, rose compared to the beginning of the week. Such a homogeneous movement across currencies should be attributed to global factors rather than local factors. On Wednesday, the flash Composite PMI index for the Eurozone dropped further in July. Locally, there was another voice from the Czech central bank about expected monetary easing at the upcoming meeting. This time Holub expressed his view to switch the pace from a 50 basis point cut to 25 basis point cuts. Therefore, the key interest rate is expected to be slightly below 4% at the end of the year.

Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
25. Jul	12:00	RS	Wages (y/y)	May			9.8%
26. Jul	8:30	HU	Unemployment Rate	Jun			4.40%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	25.37	0.0	0.5
EUR/HUF	393.02	0.8	0.6
EUR/PLN	4.29	0.5	0.2
EUR/RON	4.97	0.0	0.0
EUR/RSD	116.94	0.0	0.0
EUR/USD	1.08	-0.1	-0.9

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	4.57	0	-3
HUF	6.64	-13	-17
PLN	5.86	0	0
RON	5.80	0	-1
RSD	5.19	0	-1
EUR	3.70	1	2

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	3.77	-1	-9
HU 10Y	6.44	-3	-4
PL 10Y	5.56	1	12
RO 10Y	6.75	1	1
HR 10Y	3.32	0	0
SK 10Y	3.52	4	13

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