CEE MACRO AND FI DAILY

Growth Divergence Across CEE

On the Radar

- Today, Czechia will release producer prices, while Slovakia industrial orders.
- Other than that, there are no economic releases.

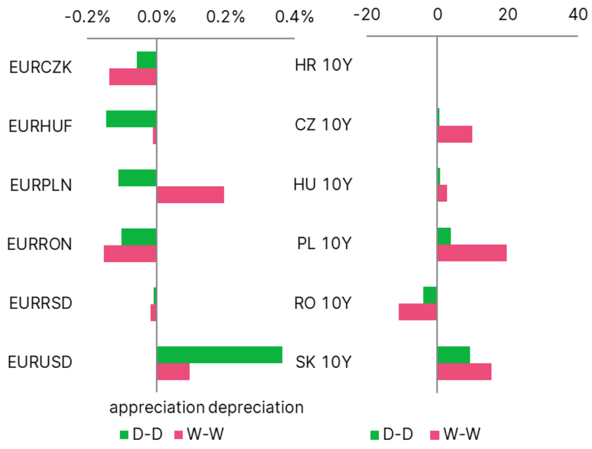
GDP growth, % y/y

Source: Erste Group Research

Economic developments

Today we wrap up the 2Q26 GDP development in the region as we are preparing Growth Navigator report to present changes and risks to our forecasts currently. GDP growth in 2Q26 accelerated in Poland, Serbia and Slovenia. Slovenia outperformed with 5% y/y growth in the second quarter. In Poland, the data confirmed that the slowdown in economic growth observed in 1Q26 was transitory and weather-related, and that the underlying trend in Polish economy remains strong. Despite negative growth in Romania, the size of GDP contraction in the second quarter was smaller compared to first quarter. Overall, in the first half of the year the economy is down 0.8% compared to the same period of last year. Household consumption should show some recovery in the second half of the year, helping to support the full-year growth figure. Investment activity should remain strong and will likely be the main growth engine in 2026. Economic development in Czechia and Hungary in the 2Q26 sustained the pace from the beginning of the year, while in Slovakia 2Q26 GDP was slight disappointment. The Slovak economy continues to be burdened by the fiscal measures introduced over the past two years. Fiscal consolidation has relied heavily on the revenue side, and higher taxes appear to be weighing on economic activity.

Market performance



Source: Erste Group Research

Market developments

Over the last week, we have seen the Polish zloty weakening against the euro, in contrast to other CEE currencies. We believe that local factors may be in play, in particular fears of a rating downgrade by Fitch Ratings (review scheduled for this Friday after market closes). Bond markets weakened slightly last week, as elevated oil prices continue to pose a risk to the inflation outlook. As for other news, the Czech National Bank minutes from its August meeting showed the board unanimously held the repo rate at 3.75 but it flagged upside risks from wages, core inflation and credit growth. Markets keep pricing in further rate hikes. In Poland, the government reactivated its fuel-price intervention until the end of the August, cutting fuel VAT from 23% to 8% and setting maximum prices. Such measures should prevent inflation from rising visibly further in August. Finally in Serbia, President Vučić signaled snap parliamentary elections in October or November, saying he will call them "very soon" with a 45–60 day campaign, while presidential elections are eyed for late December–early February.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
17. Aug	**9:00**	**CZ**	PPI (y/y)	Jul	1.38%	1.3%	1.3%

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.20	-0.1	-0.1
EUR/HUF	362.74	-0.1	0.0
EUR/PLN	4.30	-0.1	0.2
EUR/RON	5.23	-0.1	-0.2
EUR/RSD	117.19	0.0	0.0
EUR/USD	1.16	0.4	0.1

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	3.84	0	1
HUF	5.54	-1	-3
PLN	3.83	1	-1
RON	5.84	0	0
RSD	4.70	0	0
EUR	2.51	0	3

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	4.83	1	10
HU 10Y	5.39	1	3
PL 10Y	5.82	4	20
RO 10Y	6.82	-4	-11
HR 10Y	3.51	0	0
SK 10Y	3.88	9	15

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Published by:

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