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News of the Day

The national round of the European Money Quiz was won by the students of the Jan Kepler Gymnasium in Prague, putting them through to the pan-European finals

Almost 370 teams from schools throughout the Czech Republic competed in the national round of the financial and knowledge competition European Money Quiz 2024. The team that won the most points was from the J. Kepler Gymnasium in Prague 6, which will represent the Czech Republic in the pan-European finals in Brussels in mid-April. Pupils from Šlapanice Elementary School took second place, while pupils from the Plzeň 10th Elementary School came third.



From the Market

The mortgage market saw an upswing in February; the average rate is the lowest since June 2022

In month-on-month terms, the number of mortgages provided increased by more than 20% compared to January. In February, banks and building societies provided mortgage loans worth almost 16 billion crowns (CZK 15.8 billion). This is evident from figures from the Czech Banking Association Hypomonitor. The average mortgage rate on new loans fell even further, from 5.54% to 5.36%, the lowest since June 2022.

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CBA President Jan Juchelka held talks with Defence Minister Jana Černočová

At the meeting, they addressed the situation surrounding funding from the banking sector for the development of the defence industry. They agreed on the urgency and importance of defence industry funding as one of the government's economic priorities. The meeting was also attended by representatives of arms manufacturers. They agreed on the joint work to be done by experts and further talks to be held in April.

Small and medium-sized enterprises are finding it difficult to get a loan without a guarantee

40% of Czech companies consider obtaining a loan without a guarantee from the National Development Bank to be a major obstacle. This is evident from a survey by the IPSOS agency for the Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic. This problem is most often experienced by medium-sized companies with 50 to 249 employees, engaged in industry and the manufacturing sector.

Komerční banka has started paying out receivables to creditors of Sberbank CZ

Komerční banka will pay out a total of around 57 billion crowns to more than 15 thousand creditors of Sberbank CZ. In the first few days, it paid out almost 12 billion crowns (CZK 11.9 billion) to more than 1,700 creditors. The payments will continue until mid-April and will all be cashless; the money will be sent to a bank account held in the Czech Republic, in Czech crowns only. The Czech National Bank revoked the licence of Sberbank CZ in 2022 after the situation worsened when deposits plunged following the launch of the Russian invasion of Ukraine.

Commentary

The CNB has reduced the base interest rate by 0.5 percent

The press conference following the monetary meeting was held in a somewhat hawkish spirit. Governor Aleš Michl mentioned that the Czech National Bank will continue to be cautious in reducing rates, monetary policy will continue to be restrictive, and the rate reduction process may be stopped if inflation does not develop in line with estimates. The market re-estimated the outlook for future rates slightly upwards after the press conference, and at the end of this year the central bank rate is valued at around 3.3% in market rates.

[More here>>>](#)

Producer prices are generally falling, while service prices are increasing

While the double-digit year-on-year decline in agricultural producer prices continues, industrial producer prices rose slightly above expectations, and service prices in particular went up faster from a month-on-month perspective than last year, while their year-on-year growth increased compared to January. The February figures confirm the ongoing disinflationary and, in some items, deflationary trend, especially as regards the prices of farmers and food producers. On the other hand, service prices are rising faster than the normal seasonal rate and, as in the case of consumer prices, their growth remains relatively constant.

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