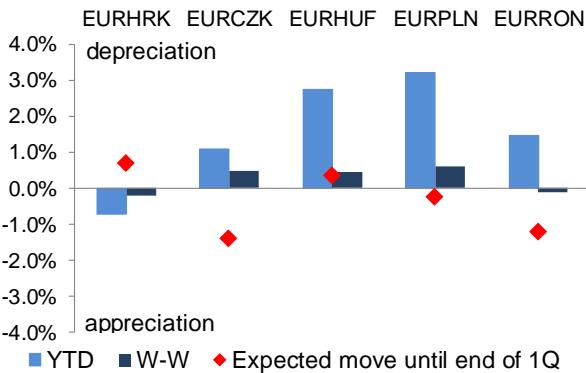


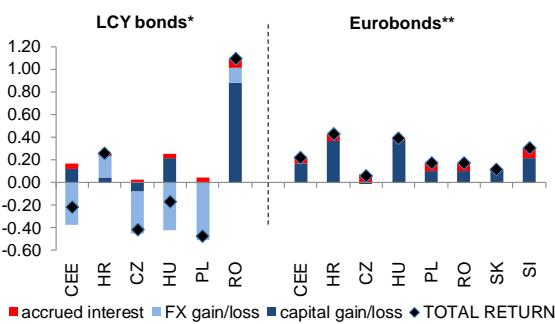
CEE Market Insights

Market outlook

Most currencies weakened last week in CEE – a notable exception was the Romanian leu, as it enjoyed some relief, given that the government seems to be backpedaling from its extremely controversial measures to some extent, and the NBR also likely present on the market, on behalf of the MinFin. In the meantime, the US dollar also firmed against the euro, which could have had a negative impact on CEE currencies as well.



Yields fell marginally in the region (1-3bp w/w), apart from the Czech Republic. Yields are being kept at bay also by a strong decline in Bund yields, courtesy of the new forecasts of the European Commission. Yield declines in Romania and the very strong buying interest for short-term government papers at the auction last week. However, for markets to calm down on the longer run, policymakers would need to come forth with more exact plans on how they want to amend the controversial measures in Romania.



Looking ahead this week:

Monday	Tuesday	Wednesday	Thursday	Friday
SK: Industry, Wages		RO: Current Account, Industry, CPI	RS: Current Account	CZ: GDP 4Q
RO: Trade Balance, Wages	HU: CPI	CZ: CPI	RO, HU, SK, PL: GDP 4Q	SK, PL: CPI
SI: Industry		PL: Trade Balance		

Five CEE countries will publish their flash estimates of GDP growth for 4Q18 this week. While we expect the growth to exceed 4% in Hungary, Poland, Slovakia and Romania (4.3%, 4.7%, 4.1% and 4.5%, respectively), in Czech Republic we should see only very benign growth at about 2.4%. Weaker external environment and more dovish interest rate outlook in the Euro Area led us to forecast one hike less in Czech Republic in 2020 and assume less aggressive koruna appreciation in 2019 compared to our previous forecast. In case of hard Brexit, we would expect depreciation of koruna well above 26 EURCZK with later correction to current levels by the year-end. Besides GDP flash estimates several CEE countries will publish inflation for January. We expect inflation to edge up (0.2-0.3pp) to 2.2% in Czech Republic and Slovakia, slightly decline (-0.2pp) in Hungary to 2.5% and remain flat at 3.3% in Romania. Discussion on Romania's budget will continue this week, including potential redesign or postponement of banking levy which have had an adverse effect on Romanian markets. Finally, S&P is scheduled to review Hungary's rating on Friday, which currently stands at 'BBB-' with a positive outlook. There is a chance for an upgrade already now, but such a step is more likely in August, in our view.

In case you missed it last week...

CEE: [Special Report - CEE automotive sector changing horses](#)

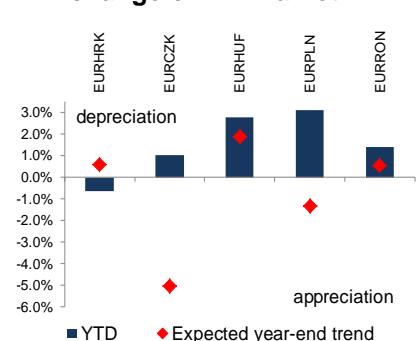
CZ: [CNB, NBR, NBP and NBS](#) all kept policy rates unchanged, as expected

HU: [Industrial output surprised on the upside](#) and [retail sales proved somewhat lower than expected in Dec](#)

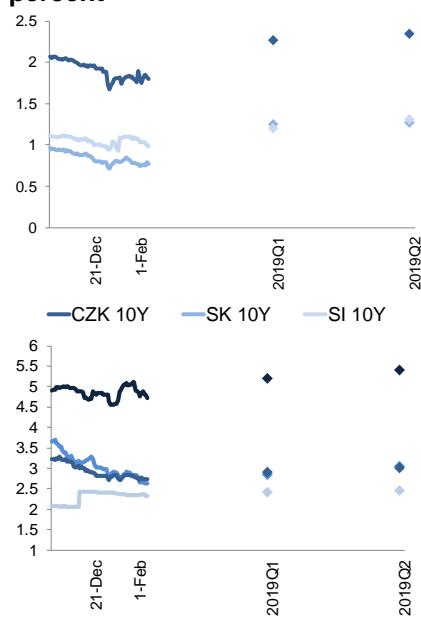
CZ: [Industrial production declined slightly](#)

SI: Fitch left the sovereign rating unchanged on Friday at 'A-' with a stable outlook

YTD change on FX market



10Y government bond yields, percent



Source: Erste Group Research, Bloomberg.

FX and bond market stable in CEE

On global markets:

The downward revision of GDP forecasts by the European Commission has also left its mark on the bond market. Now that the expected lower growth is close to potential, investors fear that this will have a dampening effect on inflation in the medium term. ECB President Draghi stressed at the monetary policy meeting in January that a weaker growth dynamic close to or below potential growth could mean that it takes longer for inflation to approach the ECB target. Since both the US Fed and ECB have made it unusually clear that they will wait and closely monitor the data situation before taking any further decisions, the financial markets are sensitive to revisions of economic forecasts.

CEE currencies:

Most currencies weakened last week in CEE – a notable exception was the Romanian leu, as it enjoyed some relief, given that the government seems to be backpedaling from its extremely controversial measures to some extent, including the intention to cut the so-called “greed tax”. However, the NBR was also likely present on the market, as the governor said that it cannot deny news either that they were on the market, or the news that they did intervene on behalf of the MinFin. The HUF likely also weakened as markets gave up somewhat on high hopes that the MNB will start tightening soon, while the decline of the PLN might have to do with Governor Glapinski’s comments that the NBP might not hike for the next two years (or even until 2022). On the other hand, the CNB in Croatia needed to intervene on the HRK market, buying a total of EUR 450mn at an average rate of 7.41686. Kuna buying interest, however, can likely be explained by the recent government bond swap operation, where EUR 500mn of the total EUR 1.5bn maturity was replaced with a combination of a 10Y pure kuna issue and a 3Y FX-linked issue. In the meantime, the US dollar also firmed against the euro, which could have had a negative impact on CEE currencies as well. Current exchange rate levels in CEE are not very far off from our forecasts. Appreciation from current levels does not seem to likely at either of them, while for the CZK, where we have appreciation penciled in, we are expecting the koruna to appreciate to a lesser extent than the central bank envisages.

CEE rates and yields:

Yields fell marginally in the region (1-3bp w/w), apart from the Czech Republic. Yields are being kept at bay also by a strong decline in Bund yields, courtesy of the new forecasts of the European Commission. Yield declines in Romania and the very strong buying interest for short-term government papers at the auction last week, with around RON 1.3bn demand for RON 300mn worth of papers (as a result, the issued amount was doubled) indicates the relief of market participants. However, for markets to calm down on the longer run, policymakers would need to come forth with more exact plans on how they want to amend the controversial measures in Romania. Current yield levels indicate some downward risks to our yield forecasts in some CEE countries.

Erste Group Research

CEE Market Insights | Fixed Income | Central and Eastern Europe

11 February 2019

Calendar

Time	Country	Indicator	Period	Survey	Erste Est.	Prev.	Pre Comment
11-Feb							
	SK	Industrial Production (y/y)	Dec		0.04	3.7%	<i>Industrial production growth is expected at decent pace, albeit with some likely impact of seasonal winter breaks</i>
8:00	RO	Trade Balance	Dec		-1.8	-1567.4	<i>Imports of consumer goods are rising fast, fueling Romania's external imbalance</i>
8:00	RO	Wages (y/y)	Dec		15.6%	13.31%	<i>Strong wage growth in public sector and rather prudent approach of private companies when increasing wages of their workers</i>
9:00	SK	Wages (y/y)	Dec			3.2%	
10:30	SI	Industrial Production (y/y)	Dec		2.0%	2.5%	<i>Slowdown of growth after strong 1H18; reflecting weaker demand from key trading partners</i>
12-Feb							
9:00	HU	CPI (y/y)	Jan	2.80%	2.5%	2.7%	<i>Mixed developments in different price categories; however, headline rate could have mainly been dominated by further drop of fuel prices</i>
9:00	HU	CPI (m/m)	Jan	0.30%		-0.3%	
13-Feb							
	RO	Current Account Balance	Dec			-8730	
8:00	RO	Industrial Production (y/y)	Dec		1.8%	5.2%	<i>Headwinds from Eurozone economy are affecting local manufacturing sector</i>
8:00	RO	CPI (y/y)	Jan	3.30%	3.3%	3.27%	<i>Inflation inside NBR's target in January</i>
8:00	RO	CPI (m/m)	Jan	1.00%	0.8%	0.16%	<i>Higher excise taxes for energy, car fuel and tobacco and weaker leu were key pro-inflationary factors in January</i>
9:00	CZ	CPI (y/y)	Jan	2.10%	2.2%	2%	<i>Increase in wage costs of firms, solid domestic demand and weak koruna remain most important pro-inflationary factors also at beginning of this year</i>
9:00	CZ	CPI (m/m)	Jan	0.70%	0.8%	0.1%	<i>In m/m terms, inflation will be driven by higher prices of food, energy and by seasonal factor associated with increase in prices of package holidays</i>
14:00	PL	Trade Balance	Dec	-1111		-229	
14-Feb							
	RS	Current Account Balance	Dec		-505	-200.9	<i>Slump in exports in December leading to widening of C/A deficit; FY18 C/A deficit expected at 5.4% of GDP</i>
8:00	RO	GDP (y/y)	4Q A	4.50%	4.5%	4.35%	<i>Real GDP is growing at annual rates below those from 2017</i>
9:00	HU	GDP (y/y)	4Q P	4.60%	4.4%	4.9%	<i>Some slowdown might have taken place following outstanding performance seen in 3Q18; consumption growth might have been somewhat lower, while industry seems to have proved more resilient to</i>
9:00	SK	GDP (y/y)	4Q P		4.1%	4.6%	<i>We expect GDP growth to have slowed down to 4.1% y/y, with domestic demand remaining its key driver as net exports remained rather lukewarm</i>
10:00	PL	GDP (y/y)	4Q P	4.80%	4.7%	5.1%	<i>We expect economy to slowdown in last quarter of 2018, due to weakening of private consumption</i>
15-Feb							
9:00	CZ	GDP (y/y)	4Q A	2.40%	2.4%	2.4%	<i>Although slowdown in y/y GDP growth has been affected by weaker growth in Euro Area, we also see it as soft landing from overheated phase of business cycle closer to its potential growth</i>
9:00	SK	CPI (y/y)	Jan		2.2%	1.9%	<i>Consumer price growth is likely to have inched up, driven by regulated energy prices, food and service prices</i>
9:00	SK	CPI (m/m)	Jan		1.1%	-0.1%	<i>Significant contribution to monthly increase of consumer prices should be due to higher regulated prices</i>
10:00	PL	CPI (y/y)	Jan	1.00%	0.7%	1.1%	<i>Inflation is expected to further ease, given freeze of energy prices and oil prices decrease</i>

Sources: Bloomberg, Reuters

Capital market forecasts

Government bond yields

	current	2019Q1	2019Q2	2019Q3	2019Q4
Croatia 10Y	2.33	2.40	2.45	2.50	2.60
spread (bps)	224	198	186	182	180
Czech Rep. 10Y	1.80	2.15	2.24	2.29	2.34
spread (bps)	170	173	165	161	154
Hungary 10Y	2.63	2.84	3.03	3.28	3.32
spread (bps)	253	242	244	260	252
Poland 10Y	2.71	2.90	3.00	3.10	3.20
spread (bps)	262	248	241	242	240
Romania 10Y	4.74	5.20	5.40	5.40	5.40
spread (bps)	465	478	481	472	460
Slovakia 10Y	0.77	1.25	1.27	1.30	1.55
spread (bps)	67	83	68	62	75
Slovenia 10Y	0.98	1.20	1.30	1.40	1.50
spread (bps)	89	78	71	72	70
Serbia 5Y	3.54	3.60	3.60	3.65	3.70
DE10Y (BBG)*	0.09	0.42	0.59	0.68	0.80

3M Money Market Rate

	current	2019Q1	2019Q2	2019Q3	2019Q4
Croatia	0.49	0.50	0.55	0.55	0.60
Czech Republic	1.99	2.01	2.01	2.18	2.19
Hungary	0.15	0.19	0.40	0.70	0.85
Poland	1.72	1.73	1.73	1.73	1.73
Romania	3.10	3.30	3.30	3.30	3.30
Serbia	3.03	3.07	3.07	3.07	3.07
Eurozone	-0.31	-0.30	-0.30	-0.10	-

FX

	current	2019Q1	2019Q2	2019Q3	2019Q4
EURHRK	7.41	7.45	7.30	7.42	7.45
forwards		7.41	7.41	7.41	7.41
EURCZK	25.82	25.45	25.30	25.10	24.80
forwards		25.84	25.85	25.85	25.85
EURHUF	319.2	320.0	322.0	325.0	325.0
forwards		322.4	322.4	322.4	322.4
EURPLN	4.31	4.30	4.28	4.26	4.25
forwards		4.31	4.31	4.31	4.31
EURRON	4.75	4.69	4.70	4.75	4.77
forwards		4.75	4.75	4.75	4.75
EURRSD	118.3	118.5	118.5	118.5	119.0
forwards		-	-	-	-
EURUSD	1.13	1.11	1.12	1.14	-

Key Interest Rate

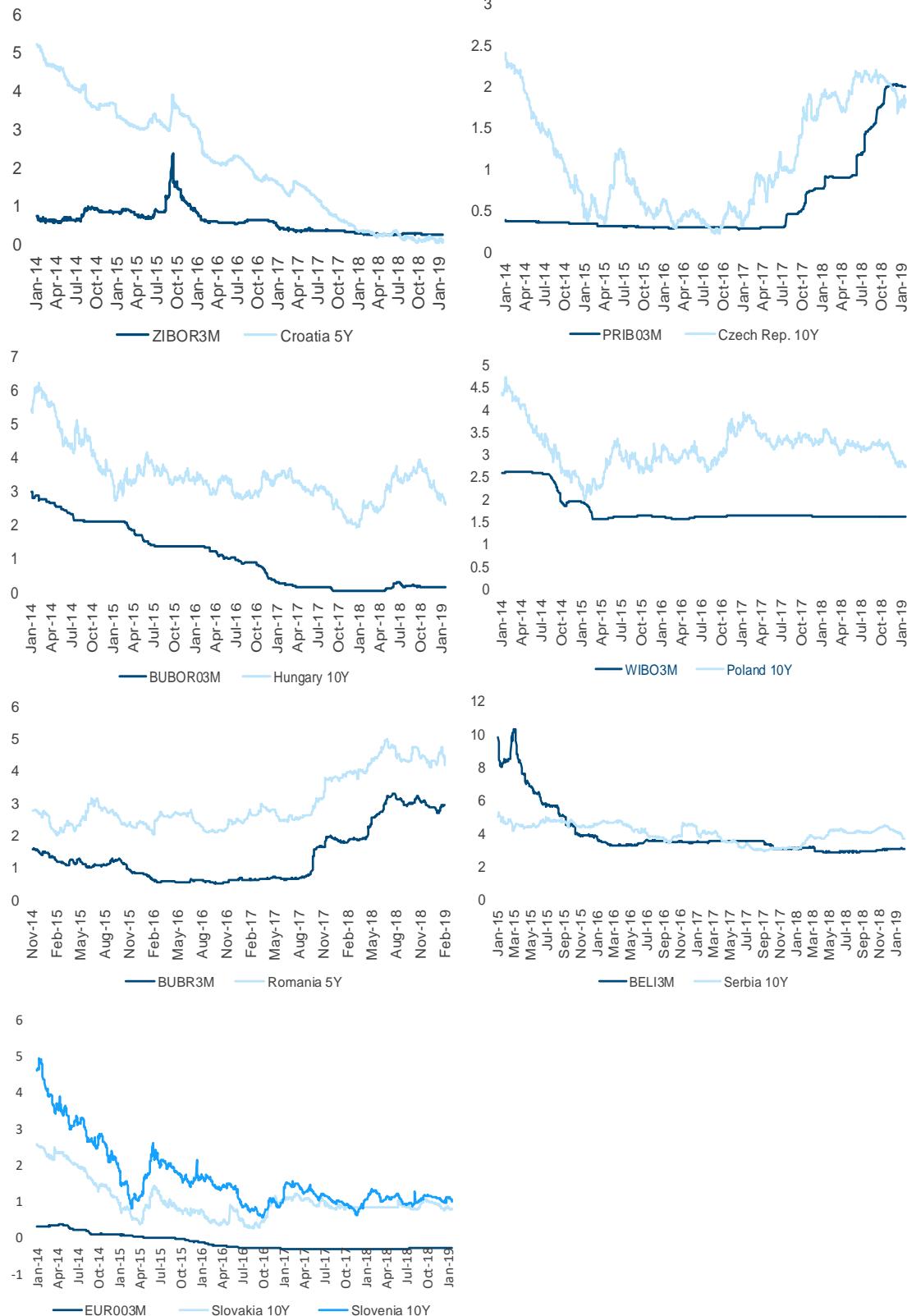
	current	2019Q1	2019Q2	2019Q3	2019Q4
Croatia	0.30	0.30	0.30	0.30	0.30
Czech Republic	1.75	1.75	1.75	2.00	2.00
Hungary	0.90	0.90	0.90	0.90	0.90
Poland	1.50	1.50	1.50	1.50	1.50
Romania	2.50	2.50	2.50	2.50	2.50
Serbia	3.00	3.00	3.00	3.00	3.00
Eurozone	0.00	0.00	0.00	0.00	-

Macro forecasts

Real GDP growth (%)	2017	2018f	2019f	2020f	Average inflation (%)	2017	2018f	2019f	2020f	Unemployment (%)	2017	2018f	2019f	2020f
Croatia	2.9	2.8	2.6	2.5	Croatia	1.1	1.5	1.0	1.5	Croatia	11.3	8.8	7.8	7.3
Czech Republic	4.5	3.0	3.0	2.9	Czech Republic	2.4	2.2	2.1	1.9	Czech Republic	2.4	2.3	2.6	3.1
Hungary	4.1	4.6	3.6	2.9	Hungary	2.4	2.8	2.6	3.1	Hungary	4.2	3.7	3.9	3.9
Poland	4.8	5.1	3.8	3.3	Poland	2.0	1.6	1.9	2.5	Poland	7.2	6.1	6.3	6.4
Romania	7.0	4.3	3.4	3.9	Romania	1.3	4.6	3.2	3.1	Romania	4.9	4.6	4.8	5.0
Serbia	2.0	4.2	3.3	2.9	Serbia	3.1	2.0	2.4	2.8	Serbia	14.1	13.0	12.0	10.4
Slovakia	3.2	4.2	3.4	3.6	Slovakia	1.3	2.5	2.5	2.5	Slovakia	8.1	6.7	6.3	5.8
Slovenia	4.9	4.4	3.6	3.3	Slovenia	1.4	1.8	2.1	2.2	Slovenia	6.6	5.5	4.9	4.7
CEE8 average	4.7	4.4	3.5	3.3	CEE8 average	1.9	2.4	2.2	2.5	CEE8 average	6.2	5.4	5.4	5.4
Public debt (% of GDP)	2017	2018f	2019f	2020f	C/A (%GDP)	2017	2018f	2019f	2020f	Budget Balance (%GDP)	2017	2018f	2019f	2020f
Croatia	77.5	73.9	71.1	68.6	Croatia	4.0	2.8	2.4	1.3	Croatia	0.8	0.2	0.0	-0.5
Czech Republic	34.6	32.6	30.8	28.9	Czech Republic	1.1	0.7	0.6	0.4	Czech Republic	1.5	0.3	0.4	0.3
Hungary	73.3	71.8	69.0	67.0	Hungary	3.2	1.4	0.8	1.8	Hungary	-2.2	-2.0	-1.8	-1.8
Poland	50.6	49.9	49.8	48.7	Poland	0.2	-0.4	-0.5	-0.7	Poland	-1.7	-0.4	-1.4	-1.5
Romania	35.0	35.2	35.8	35.8	Romania	-3.2	-3.8	-4.1	-4.0	Romania	-2.9	-3.3	-3.0	-2.5
Serbia	57.9	53.7	51.3	49.0	Serbia	-5.2	-5.3	-5.2	-4.9	Serbia	1.1	0.9	-0.5	-0.5
Slovakia	50.9	49.0	48.2	46.5	Slovakia	-2.0	-1.5	-0.9	0.2	Slovakia	-0.8	-0.8	-0.7	-0.4
Slovenia	72.4	67.8	65.5	61.9	Slovenia	7.2	7.6	7.4	6.8	Slovenia	0.0	0.0	0.50	0.3
CEE8 average	50.2	48.8	47.8	46.3	CEE8 average	0.2	-0.4	-0.6	-0.5	CEE8 average	-1.1	-0.9	-1.2	-1.2

Note: *Information on past performance is not a reliable indicator for future performance. Forecasts are not a reliable indicator for future performance.

Appendix



Note: *Information on past performance is not a reliable indicator for future performance. Forecasts are not a reliable indicator for future performance.

Erste Group Research

CEE Market Insights | Fixed Income | Central and Eastern Europe

11 February 2019

Contacts

Group Research

Head of Group Research

Friedrich Mostböck, CEFA

+43 (0)5 0100 11902

Major Markets & Credit Research

Head: Gudrun Egger, CEFA

+43 (0)5 0100 11909

Ralf Burchert, CEFA (Agency Analyst)

+43 (0)5 0100 16314

Hans Engel (Senior Analyst Global Equities)

+43 (0)5 0100 19835

Margarita Grushanina (Economist AT, Quant Analyst)

+43 (0)5 0100 11957

Peter Kaufmann, CFA (Corporate Bonds)

+43 (0)5 0100 11183

Stephan Lingnau (Global Equities)

+43 (0)5 0100 16574

Carmen Riefler-Kowarsch (Covered Bonds)

+43 (0)5 0100 19632

Rainer Singer (Senior Economist Euro, US)

+43 (0)5 0100 17331

Bernadett Povazsai-Römhild (Corporate Bonds)

+43 (0)5 0100 17203

Elena Statelov, CIIA (Corporate Bonds)

+43 (0)5 0100 19641

Gerald Walek, CFA (Economist Euro, CHF)

+43 (0)5 0100 16360

Macro/Fixed Income Research CEE

Head CEE: Juraj Kotian (Macro/FI)

+43 (0)5 0100 17357

Zoltan Arokszallasi, CFA (Fixed income)

+43 (0)5 0100 18781

Katarzyna Rzentalzewska (Fixed income)

+43 (0)5 0100 17356

Malgorzata Krzywicka (Fixed income)

+43 (0)5 0100 17338

CEE Equity Research

Head: Henning Eßkuchen

+43 (0)5 0100 19634

Daniel Lion, CIIA (Technology, Ind. Goods&Services)

+43 (0)5 0100 17420

Michael Marschallinger

+43 (0)5 0100 17906

Christoph Schultes, MBA, CIIA (Real Estate)

+43 (0)5 0100 11523

Vera Sutedja, CFA, MBA (Telecom, Steel)

+43 (0)5 0100 11905

Thomas Unger, CFA (Banks, Insurance)

+43 (0)5 0100 17344

Vladimira Urbankova, MBA (Pharma)

+43 (0)5 0100 17343

Martina Valenta, MBA

+43 (0)5 0100 11913

Editor Research CEE

Brett Aarons

+420 956 711 014

Research Croatia/Serbia

Head: Mladen Dodig (Equity)

+381 11 22 09178

Head: Alen Kovac (Fixed income)

+385 72 37 1383

Anto Augustinovic (Equity)

+385 72 37 2833

Mate Jelić (Fixed income)

+385 72 37 1443

Magdalena Dolenec (Equity)

+385 72 37 1407

Ivana Rogic (Fixed income)

+385 72 37 2419

Davor Spoljar, CFA (Equity)

+385 72 37 2825

Research Czech Republic

Head: David Navratil (Fixed income)

+420 956 765 439

Head: Petr Bartek (Equity)

+420 956 765 227

Jiri Polansky (Fixed income)

+420 956 765 192

Michal Skorepa (Fixed income)

+420 956 765 172

Jan Sumbera (Equity)

+420 956 765 218

Jan Žemlička (Fixed income)

+420 956 765 456

Research Hungary

Head: József Miró (Equity)

+361 235 5131

András Nagy (Equity)

+361 235 5132

Orsolya Nyeste (Fixed income)

+361 268 4428

Zsombor Varga (Fixed income)

+361 373 2830

Tamás Pletser, CFA (Oil&Gas)

+361 235 5135

Research Poland

Director of Research: Tomasz Duda (Equity)

+48 22 330 6253

Cezary Bernatek (Equity)

+48 22 538 6256

Konrad Grygo (Equity)

+48 22 330 6254

Mateusz Krupa (Equity)

+48 22 330 6251

Michał Pilch (Equity)

+48 22 330 6255

Emil Poplawski (Equity)

+48 22 330 6252

Research Romania

Head: Horia Braun-Erdei

+40 3735 10424

Caius Rapanu (Equity)

+40 3735 10441

Eugen Sinca (Fixed income)

+40 3735 10435

Dorina Ilasco (Fixed Income)

+40 3735 10436

Research Slovakia

Head: Maria Valachyova, (Fixed income)

+421 2 4862 4185

Katarina Muchova (Fixed income)

+421 2 4862 4762

Research Turkey

Ender Kaynar (Equity)

+90 212 371 2530

Umut Cebir (Equity)

+90 212 371 2537

Treasury – Erste Bank Vienna

Group Markets Retail Sales

Head: Christian Reiss +43 (0)5 0100 84012

Markets Retail Sales AT

Head: Markus Kaller +43 (0)5 0100 84239

Group Markets Execution

Head: Kurt Gerhold +43 (0)5 0100 84232

Retail & Sparkassen Sales

Head: Uwe Kolar +43 (0)5 0100 83214

Corporate Treasury Product Distribution AT

Head: Christian Skopek +43 (0)5 0100 84146

Fixed Income Institutional Sales

Group Securities Markets

Head: Harald Müller +43 (0)5 0100 84890

Institutional Distribution non CEE

Head: Jaromir Malak +43 (0)5 0100 84254

Bernd Bollhof +49 (0)30 8105800 5525

Charles-Henry La Coste de Fontenilles +43 (0)5 0100 84115

Rene Klasen +49 (0)30 8105800 5521

Christopher Lampe-Traupe +49 (0)30 8105800-5507

Thomas Rakosi +43 (0)5 0100 84116

Karin Rattay +43 (0)5 0100 84118

Bernd Thaler +43 (0)5 0100 84119

Bank Distribution

Head: Marc Frieberthhäuser +49 (0)711 810400 5540

Sven Kienzle +49 (0)711 810400 5541

Michael Schmotz +43 (0)5 0100 85542

Ulrich Hofner +43 (0)5 0100 85544

Klaus Vosseler +49 (0)711 810400 5560

Andreas Goll +49 (0)711 810400 5561

Mathias Gindele +49 (0)711 810400 5562

Institutional Distribution CEE

Head: Jaromir Malak +43 (0)5 0100 84254

Institutional Distribution PL and CIS

Pawel Kielek +48 22 538 6223

Michał Jarmakowicz +43 50100 85611

Institutional Distribution Slovakia

Head: Sarolta Sipulova +421 2 4862 5619

Monika Smelikova +421 2 4862 5629

Institutional Distribution Czech Republic

Head: Ondrej Cech +420 2 2499 5577

Milan Bartos +420 2 2499 5562

Barbara Suvadova +420 2 2499 5590

Institutional Asset Management Czech Republic

Head: Petr Holecek +420 956 765 453

Martin Perina +420 956 765 106

Petr Valenta +420 956 765 140

David Petracek +420 956 765 809

Blanca Weinerova +420 956 765 317

Institutional Distribution Croatia

Head: Antun Buric +385 (0)7237 2439

Željko Pavićić +385 (0)7237 1494

Natalija Zujic +385 (0)7237 1638

Institutional Distribution Hungary

Head: Peter Csizmadia +36 1 237 8211

Attila Hollo +36 1 237 8209

Gabor Balint +36 1 237 8205

Institutional Distribution Romania and Bulgaria

Head: Ciprian Mitu +43 (0)50100 85612

Crisitan Adascalita +40 373 516 531

Group Institutional Equity Sales

Head: Brigitte Zeitlberger-Schmid +43 (0)50100 83123

Werner Fürst +43 (0)50100 83121

Josef Kerekes +43 (0)50100 83125

Cormac Lyden +43 (0)50100 83120

Business Support

Bettina Mahoric

+43 (0)50100 86441

Erste Group Research

CEE Market Insights | Fixed Income | Central and Eastern Europe

11 February 2019

Disclaimer

This publication was prepared by Erste Group Bank AG or any of its consolidated subsidiaries (together with consolidated subsidiaries "Erste Group") independently and objectively as other information pursuant to the Circular of the Austrian Financial Market Authority regarding information including marketing communication pursuant to the Austrian Securities Supervision Act. This publication serves interested investors as additional source of information and provides general information, information about product features or macroeconomic information without emphasizing product selling marketing statements. This publication does not constitute marketing communication pursuant to Art. 36 (2) Austrian Securities Supervision Act as no direct buying incentives were included in this publication, which is of information character. This publication does not constitute investment research pursuant to § 36 (1) Austrian Securities Supervision Act. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to the prohibition on dealing ahead of the dissemination of investment research. The information only serves as non-binding and additional information and is based on the level of knowledge of the person in charge of drawing up the information on the respective date of its preparation. The content of the publication can be changed at any time without notice. This publication does not constitute or form part of, and should not be construed as, an offer, recommendation or invitation to subscribe for or purchase any securities, and neither this publication nor anything contained herein shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or inclusion of a security or financial product in a trading strategy. Information provided in this publication are based on publicly available sources which Erste Group considers as reliable, however, without verifying any such information by independent third persons. While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, Erste Group (including its representatives and employees) neither expressly nor tacitly makes any guarantee as to or assumes any liability for the up-to-dateness, completeness and correctness of the content of this publication. Erste Group may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that Erste Group endorses, recommends or approves any material on the linked page or accessible from it. Neither a company of Erste Group nor any of its respective managing directors, supervisory board members, executive board members, directors, officers or other employees shall be in any way liable for any costs, losses or damages (including subsequent damages, indirect damages and loss of profit) howsoever arising from the use of or reliance on this publication. Any opinion, estimate or projection expressed in this publication reflects the current judgment of the author(s) on the date of publication of this document and do not necessarily reflect the opinions of Erste Group. They are subject to change without prior notice. Erste Group has no obligation to update, modify or amend this publication or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. The past performance of securities or financial instruments is not indicative for future results. No assurance can be given that any financial instrument or issuer described herein would yield favorable investment results or that particular price levels may be reached. Forecasts in this publication are based on assumptions which are supported by objective data. However, the used forecasts are not indicative for future performance of securities or financial instrument. Erste Group, its affiliates, principals or employees may have a long or short position or may transact in the financial instrument(s) referred to herein or may trade in such financial instruments with other customers on a principal basis. Erste Group may act as a market maker in the financial instruments or companies discussed herein and may also perform or seek to perform investment services for those companies. Erste Group may act upon or use the information or conclusion contained in this publication before it is distributed to other persons. This publication is subject to the copyright of Erste Group and may not be copied, distributed or partially or in total provided or transmitted to unauthorized recipients. By accepting this publication, a recipient hereof agrees to be bound by the foregoing limitations.

© Erste Group Bank AG 2019. All rights reserved.

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

Erste Group Homepage: www.erstegroup.com