

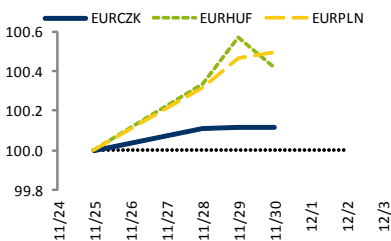


# Central European Daily

Wednesday, 30 November 2016

## Regional Overview

### Forex markets (index)

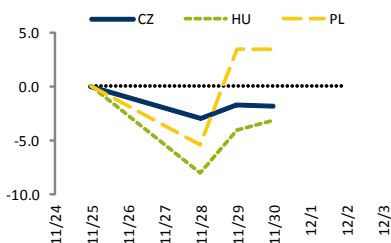


	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.06	27.06	0.00
EURHUF	311.4	311.8	-0.15
EURPLN	4.437	4.435	0.03

### Macro, FX & Rates: CE currencies continue to ease

**(CE currencies)** Regional currencies including even the Czech koruna has continued to ease. It is hard to find a particular reason the recent weakness of CE currencies, but it seems that global fears that interest rates will be still heading up in core markets (especially in the US) could be behind the recent modest sell-off. Hence, we think that until US interest rates and yields stabilize at some levels, **CE currencies will probably stay under selling pressure. Actually, this could be the case until the next FOMC meeting scheduled on December 14<sup>th</sup>, while another important event for regional forex markets will be definitely the ECB on December 8<sup>th</sup>.** In this respect, the upcoming domestic eco releases (like today's Polish inflation for instance) might play even less important role in trading.

### Gov. bonds 10 Y (bps change)

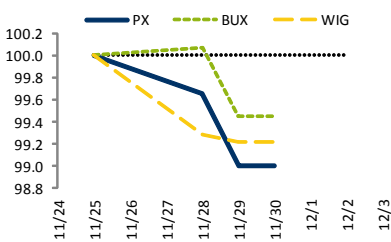


	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.498	0.499	-0.1
HUGB 10Y	3.40	3.39	0.3
PLGB 10Y	3.58	3.58	0.0

### Equities: MSCI rebalancing after the close today

**(CE) MSCI rebalancing** is due today after the market session (effective as of Dec 1). In Poland – Enea and Energa to be excluded, while JSW will be newly added. As concerns Czech equities - O2CR kept its slot in the MSCI Czech Republic Index while Moneta was added expanding the number of Czech constituents from three to four. As a result of increasing the number of constituents, weight of each is expected to decline with CEZ having 38% (down from 47%) followed by KB with 36% (down from 44%), Moneta with 19% and O2CR down to 7% from 9% in our view. We expect higher volumes during the day and especially in the auction.

### Equity indices (index)



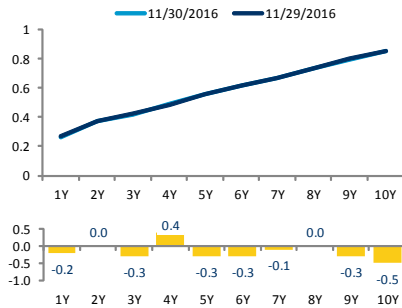
	LAST	PREVIOUS	CHANGE (%)
PX	879.3	879.3	0.00
BUX	29816	29816	0.00
WIG	48199	48199	0.00

### Preview: Polish inflation back from negative territory

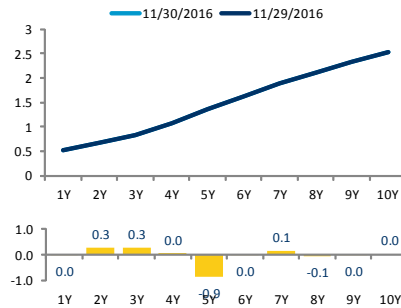
**(PL) The annual rate of inflation in Poland according to our estimates was probably zero year-on-year in November.** This means that prices did not decline year-on-year for the first time since July 2014. It was related, particularly slightly rising food prices and inflation in non-negative values, was helped perhaps by annually rising fuel prices. They were also a major plus compared to October and so prices month-on-month rose by 0.1 % mainly due to more expensive crude oil (and a weaker zloty).

# Interest-rate Swap Curves

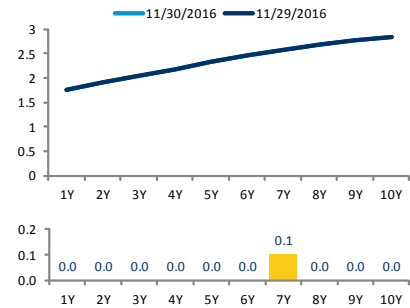
CZK \*



HUF \*



PLN \*



\* upper plot in each panel shows interest swap curve (%), lower plot shows change in interest rates in basis points

## Calendar

Country	Time	Indicator	Period	Forecast		Actual		Consensus		Previous	
				m/m	y/y	m/m	y/y	m/m	y/y	m/m	y/y
HU	9:00	PPI	% 10/01/2016							-0.3	-2.6
PL	10:00	GDP	% 3Q/2016 *F							0.2	2.5
CZ	11:00	Money supply M2	% 10/2016								8.7
CZ	12:00	CZ bond auction 2016-19, 0.00%	CZK B 11/01/2016					5			
CZ	12:00	CZ bond auction 2015-2023, 0.45%	CZK B 11/01/2016					2			
CZ	12:00	CZ bond auction 2014-25, 2.40%	CZK B 11/01/2016					5			
PL	14:00	CPI	% 11/2016 *P	0.1	0			0.1	0	0.5	-0.2

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