

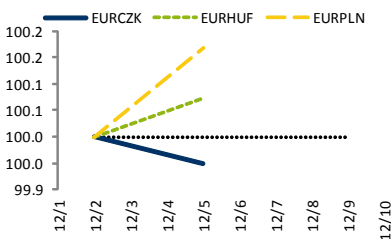


Central European Daily

Monday, 05 December 2016

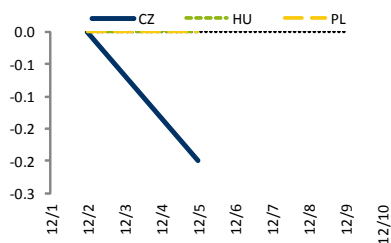
Regional Overview

Forex markets (index)



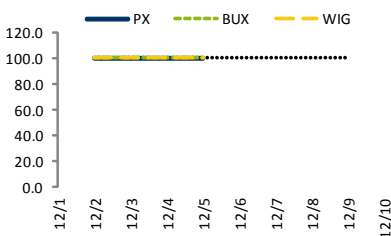
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.04	27.05	-0.05
EURHUF	313.5	313.3	0.07
EURPLN	4.493	4.485	0.17

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.509	0.511	-0.2
HUGB 10Y	#N/A	#N/A	#N/A
PLGB 10Y	#N/A	#N/A	#N/A

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	887.2	887.2	0.00
BUX	29808	29808	0.00
WIG	48474	48474	0.00

Macro, FX & Rates: Czech wages growth accelerates

(PL) Standard & Poor's affirmed Poland's BBB+ rating and moved the outlook from negative to stable, the agency said in a statement late Friday. Mark Poland 'BBB+/A-2' foreign currency and 'A-/A-2' local currency. / **SLIGHT POSITIVE**; S&P said its initial concerns that central bank's independence could be undermined did not materialize and although it revised its expectations for economic growth to the downside it decided to raise rating outlook. This should be positive news for both Polish government bonds and the zloty.

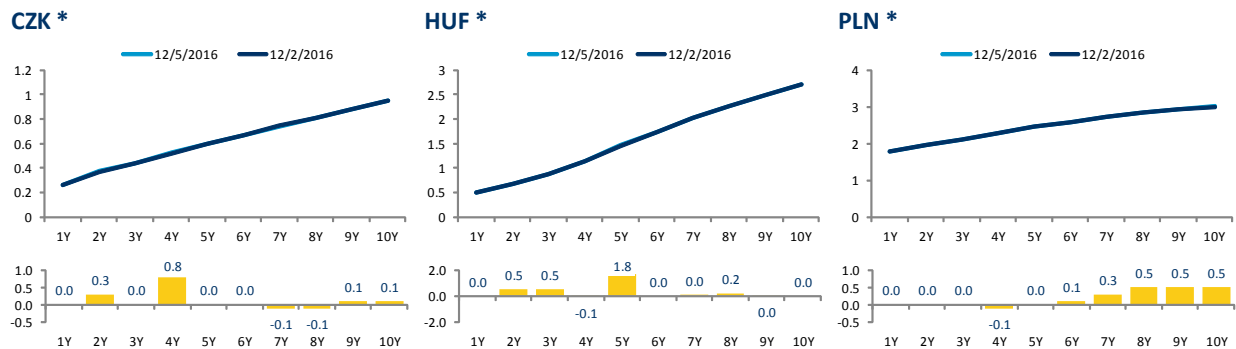
(CZ) Average real monthly wage growth accelerated to 4.0% Y/Y in the third quarter of 2016, in line with our expectations. In nominal terms, wages grew by 4.5% Y/Y. / **POSITIVE**; Even more important is that median wage growth again exceeded average which means that employees with lower income also participate on economic growth. This is good news from the perspective of the central bank; the figure is higher than anticipated by the last projection and it also means that (demand) inflation pressures should also be stronger. We expect wages growth to accelerate further and in 2017 it could exceed 5% (in nominal terms).

Equities: Enea was given exclusive negotiation rights over a 100% stake in EEP

(PL) UTILS/ENA: Enea was given exclusive negotiation rights over a 100% stake in Engie Energia Polska, a Polish unit of the French utility, valid until the end of 2016, Enea said in a market filing. Separately, French EDF said it won't consider Polish utilities bid for local assets and agreed deal terms with Czech EPH and Australian EFM in Polish assets sale; / **NEUTRAL**; Note, Enea filed a bid for Engie Energia Polska on SEP-30, citing the need to "strengthen its position on the generation market," in line with the new development strategy. Engie Energia Polska owns a 1.445 GW power plant in Polaniec; Note, Four Polish utilities submit new bid for EDF's assets in Poland. Energa said DEC-01 in regulatory filing that it, PGE, Enea and PGNiG's Termika unit submitted new bid "to purchase shares in EDF companies in Poland holding conventional generation assets and carrying out service activities;" /

(PL) ENA: Poland would like to merge mines of its ailing coal miner KHW with mining group PGG in January and power group Enea, which was to inject capital into KHW, will capitalize PGG with the same amount, deputy Energy Minister Tobiszowski told PAP; / **TO WATCH**; Note, state-controlled WSE-listed power utilities PGE and Energa as well as the power unit of gas firm PGNiG put in PLN 500mn each in rescue capital in the coal group PGG, crafted out of select assets of the defunct Kompania Weglowa in May 2016... and Enea is to inject PLN 350mn in KHW; /

Interest-rate Swap Curves



* 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
CZ	9:00	Real wages	%	3Q/2016		4	4	3.6				3.7
HU	9:00	Retail sales	%	10/01/2016			2.6	4.3				5.1

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