

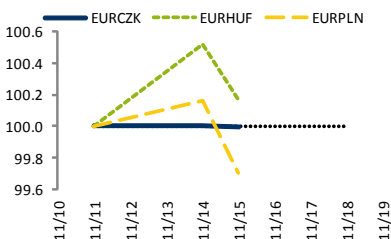


Central European Daily

Tuesday, 15 November 2016

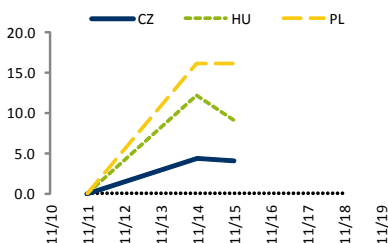
Regional Overview

Forex markets (index)



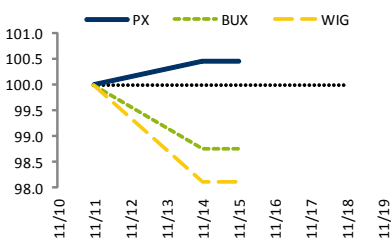
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.03	27.03	-0.01
EURHUF	309.8	310.9	-0.34
EURPLN	4.407	4.428	-0.46

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.594	0.596	-0.2
HUGB 10Y	3.50	3.53	-0.9
PLGB 10Y	3.49	3.49	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	905.1	905.1	0.00
BUX	30123	30123	0.00
WIG	47540	47540	0.00

Macro, FX & Rates: CE GDP growth slows down

(CZ) In line with our expectations, **economic growth slowed down considerably in the third quarter** to 1.9% Y/Y (from 2.6% in the 2nd quarter) and 0.3% Q/Q (from 0.9%). Although details have not been published yet, we believe **growth has this time been driven primarily by households' consumption and external demand**. Investments remains rather weak as public investment declined. In spite of the fact that lagged behind expectations of the central bank, we do not expect it will have impact on timing of exit from the intervention regime. As for the outlook, we still **keep our estimate of 2.5% GDP growth for both 2016 and 2017**.

(HU) GDP growth reached **2% Y/Y** in the 3rd quarter as expected. GDP was **mainly supported by services and agriculture activity**. However, the 2% growth means a significant deceleration compared to the 2.6% increase in the 2nd quarter.

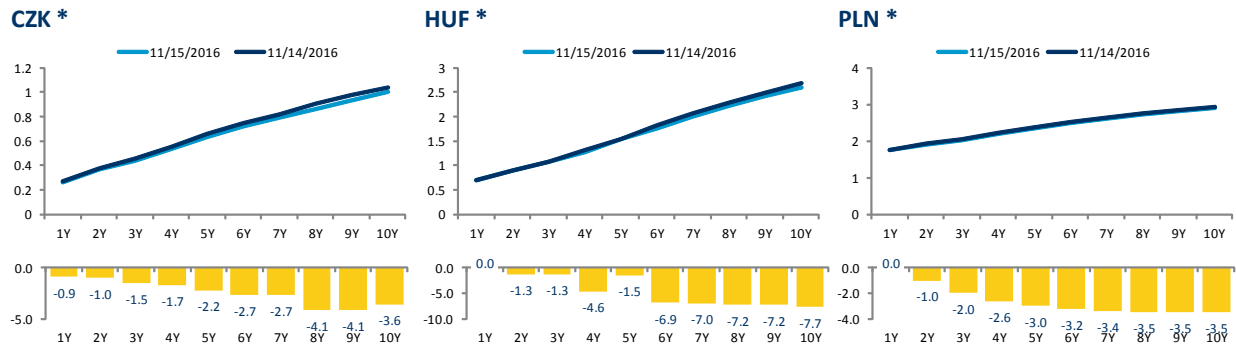
(PL) GDP growth in the third quarter **surprised negatively** as it came out at 2.5% which is **the worst result in three years**. Similarly to the case of Czech Republic, decline in investment has probably weighed on growth.

Equities: O2CR amends buy-back rules

(CZ) O2CR: Board of Directors approved amendments to the rules of the purchase of own shares (share buy-back) as approved by the General Meeting on December 8, 2015 as a result of expected increase in liquidity in the market following the announcement of the 3 MSCI Czech Republic Index composition. During the period of increased market liquidity until November 30, 2016 the company may carry out trades on the regulated market in larger volume than the volume limit set for the current share buy-back program as approved by the Board of Directors on December 23, 2015. / **POSITIVE.** *Just to remind that Company has approved buyback in total amount of up to 10% of the total number of shares with 2% to be purchased within next two years (as of end Sep 16, Company has already purchased 0.89% of shares). Total amount for 5Y period stands at up to CZK 8bn for a price ranging from CZK 10 to CZK 297 with 130 525 shares purchases daily at maximum.*

(PL) Energa: Company netted PLN 190mln in 3Q16, slightly higher than expected at PLN 184mln while matching its EBITDA at PLN 439mln with preliminaries published in October. Results registered y/y decline across the segments with the main hit coming from generation as a result of low electricity prices. Core segment of regulated distribution suffered 3.5% drop in EBITDA in 3Q16 with distribution volumes down by 2% y/y. Generation suffered 60% drop in EBITDA with volumes in renewables down significantly following regulatory changes. / **NEGATIVE.** *At first glance, Energa beat the market due to low margin sales growth. We expect negative market reaction.*

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	GDP	% 3Q/2016 *A	0.4	2			0.5	2.1	0.9	2.6
HU	9:00	GDP	% 3Q/2016 *P					0.3	1.7	1	2.6
PL	10:00	GDP	% 3Q/2016 *P		3.2			0.8	3	0.9	3.1
PL	14:00	Core CPI	% 10/01/2016					0.3	-0.3	-0.2	-0.4

Contacts

Brussels Research (KBC)		Global Sales Force	
Piet Lammens	+32 2 417 59 41	Brussels	
Peter Wuyts	+32 2 417 32 35	Corporate Desk	+32 2 417 45 82
Mathias van der Jeugt	+32 2 417 51 94	Institutional Desk	+32 2 417 46 25
Dublin Research		France	+32 2 417 32 65
Austin Hughes	+353 1 664 6889	London	+44 207 256 4848
Shawn Britton	+353 1 664 6892	Singapore	+65 533 34 10
Prague Research (CSOB)		Prague	+420 2 6135 3535
Jan Cermak	+420 2 6135 3578		
Jan Bures	+420 2 6135 3574		
Petr Baca	+420 2 6135 3570		
Bratislava Research (CSOB)		Bratislava	+421 2 5966 8820
Marek Gabris	+421 2 5966 8809		
Budapest Research		Budapest	+36 1 328 99 85
David Nemeth	+36 1 328 9989		

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