

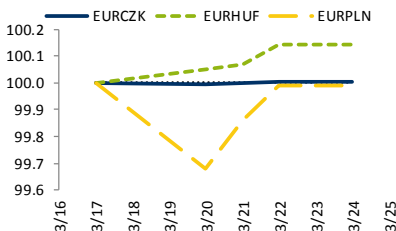


Central European Daily

Friday, 24 March 2017

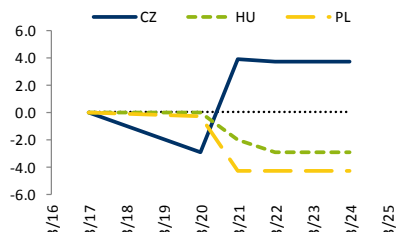
Regional Overview

Forex markets (index)



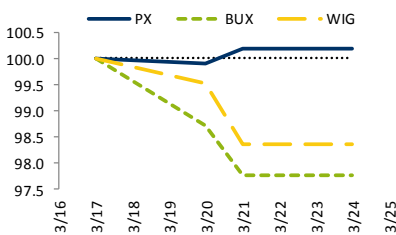
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.02	27.02	0.00
EURHUF	308.7	308.7	0.00
EURPLN	4.281	4.281	0.00

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.945	0.945	0.0
HUGB 10Y	3.57	3.57	0.0
PLGB 10Y	3.69	3.69	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	982.7	982.7	0.00
BUX	32044	32044	0.00
WIG	59453	59453	0.00

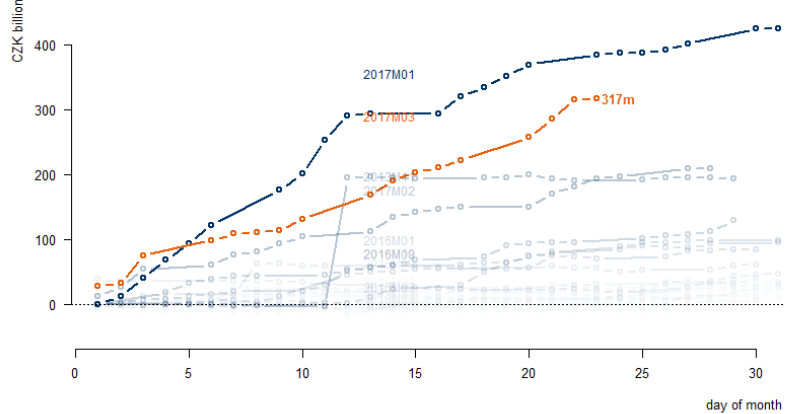
Macro, FX & Rates: Zloty close to an eight-month high

(PL) On Thursday, the Polish zloty strengthened and was trading close to an eight-month high against the euro. / Apart from a stable rating, good prospects of the Polish economy, rising inflation and dovish Fed hike, minutes from the latest meeting of the Monetary Policy Council (MPC) could have supported the zloty. The majority of MPC still keeps its view that interest rates should remain unchanged in the following quarters. But the minutes also said that it might be justified to consider an increase in the NBP interest rates if inflation continues to surprise to the upside (in comparison with March projection). All in all, the wording remained very similar to the previous one but this time it also showed some concerns of possible impact of (low) real interest rates on asset prices in Poland.

(CZ) Ministry of finance sold three times what it had offered at a T-bill auction yesterday. / Strong demand (it has nearly doubled in comparison with the auction which took place week before) stems from the fact that the end of CNB's "hard commitment" to intervene against the koruna's appreciation at least until the end of March is approaching.

Speed of liquidity accumulation

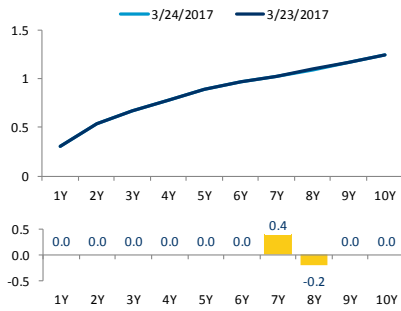
REPO + DEPO + FREE RES., end of previous month = 0, adjusted for end-of-month bias



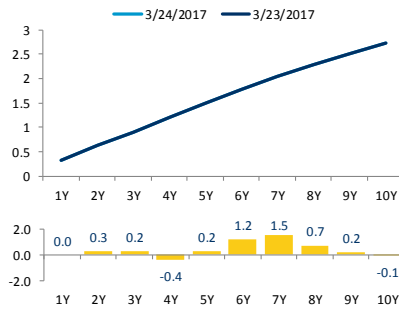
Source: CNB, CSOB

Interest-rate Swap Curves

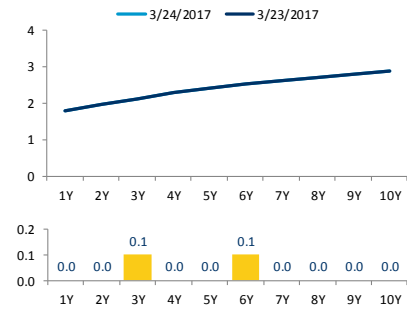
CZK *



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

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	Prague (Equities)	+420 2 2142 4216
Petr Baca	+420 2 6135 3570		
Tomas Sykora	+420 2 2142 4128		
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		

ALL OUR REPORTS ARE AVAILABLE ON WWW.KBC.BE/DEALINGROOM

This non-exhaustive information is based on short-term forecasts for expected developments on the financial markets. KBC Bank cannot guarantee that these forecasts will materialize and cannot be held liable in any way for direct or consequential loss arising from any use of this document or its content. The document is not intended as personalized investment advice and does not constitute a recommendation to buy, sell or hold investments described herein. Although information has been obtained from and is based upon sources KBC believes to be reliable, KBC does not guarantee the accuracy of this information, which may be incomplete or condensed. All opinions and estimates constitute a KBC judgment as of the date of the report and are subject to change without notice.

