

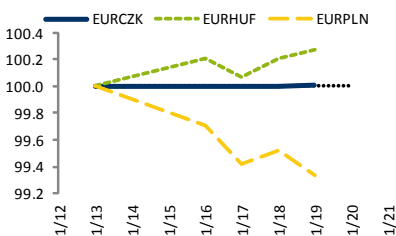


Central European Daily

Thursday, 19 January 2017

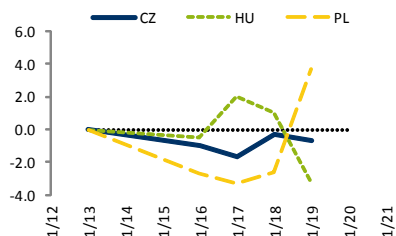
Regional Overview

Forex markets (index)



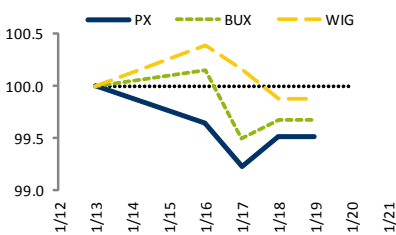
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.02	27.02	0.01
EURHUF	308.0	307.8	0.06
EURPLN	4.359	4.367	-0.19

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.319	0.323	-0.4
HUGB 10Y	3.39	3.43	-1.2
PLGB 10Y	3.69	3.62	1.7

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	925.9	925.9	0.00
BUX	32841	32841	0.00
WIG	53432	53432	0.00

Macro, FX & Rates: CNB's Lizal – negative rates as option

(CZ) Macro, FX: The Czech National Bank still believes the right time to lift its cap on the koruna is the middle of the year, board member Lubomir Lizal said, adding that investors had overbought the currency. Interestingly, **Lizal also mentioned a possibility to apply negative interest rates as non-standard measure.** *We still consider negative official rates as a tail-risk scenario, while it is worth noting that Lubomir Lizal will leave the CNB Bank Board in February, so he will not be a Board member at a time when the CNB will probably scrap the EUR/CZK floor (in the 2nd quarter, but almost definitely not in the 1st quarter of 2017).*

Equities: PNG enjoys very strong sales so far in January

(PL) PGN: Company is enjoying very strong sales so far in January, supported by weather conditions, and therefore expects the impact of the new lower retail gas tariff on Q1 results to be "very limited," according to its deputy CEO Maciej Wozniak told PAP. On top of that, Company announced that increased external sales in Q4 2016 by 12.7% y/y to 7.37 bcm, while decreasing production marginally y/y to 1.16 bcm. *We consider it as slightly positive.*

(CZ, PL) Unipetrol: Company informs that on 18 January 2017 Supervisory Board of Unipetrol at its meeting approved the resignation of Mr. Bogdan Dzdzewicz from the position of the Member of the Supervisory Board of Unipetrol with the effect from 18 January 2017.

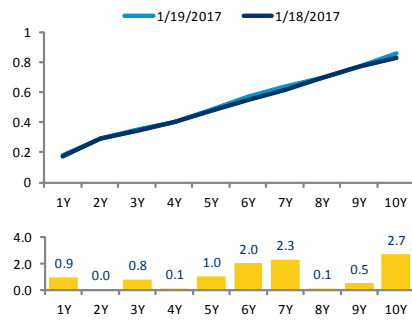
Weekly Preview: Energa results, Polish macro data

(PL) Macro: The Polish Statistical Office is going to release several interesting release including wages, retail sales and industrial output (all for December).

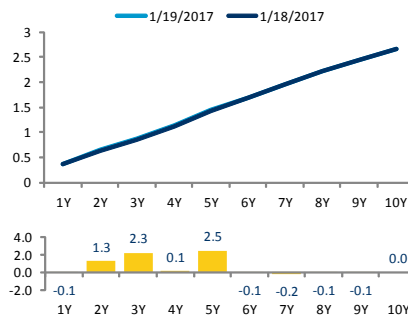
(PL) Energa: The company expects to post PLN 502mn group EBITDA in 4Q, up by 5.8% y/y, including PLN 412mn in the distribution segment, the firm said of preliminary estimates. There were PLN 44mn negative one-off related to provisions for pending proceedings recognized in 4Q, therefore adjusted EBITDA could be expected at PLN 546mn, i.e. +13.5 % y/y (PLN 481mn in 4Q15). The company should report FY16 results in mid-March. *We consider 4Q16 EBITDA as a good results. The increase vs. 4Q15 was driven by higher generation volumes (PLN 122mn; +52% y/y) as well as by better result in distribution (PLN 421mn; +18% y/y). FY16 preliminary EBITDA amounted to PLN 2 031mn, which is 3% higher when comparing to BBG consensus, therefore we expect slightly positive reaction of Energa shares on released preliminary result.*

Interest-rate Swap Curves

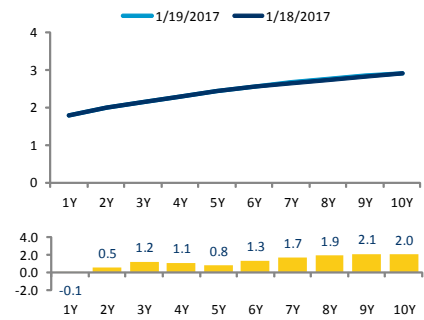
CZK *



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
PL	14:00	Industrial output	% 12/01/2016					-5.5	1.6	1.9	3.3
PL	14:00	PPI	% 12/01/2016					0.7	2.6	1.1	1.7
PL	14:00	Retail sales	% 12/2016					21.7	6.5	-3.3	6.6

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