

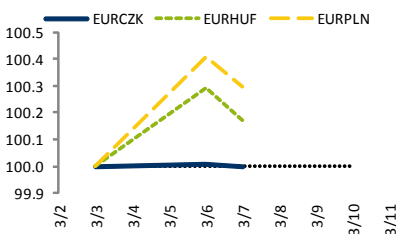


# Central European Daily

Tuesday, 07 March 2017

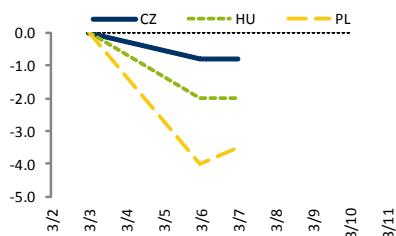
## Regional Overview

### Forex markets (index)



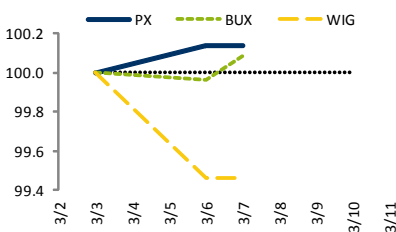
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.02	27.02	-0.01
EURHUF	309.6	310.0	-0.12
EURPLN	4.307	4.312	-0.11

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



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.582	0.582	0.0
HUGB 10Y	3.44	3.44	0.0
PLGB 10Y	3.69	3.68	0.1

### Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	975.6	975.6	0.00
BUX	33220	33181	0.12
WIG	58996	58996	0.00

### Macro, FX & Rates: Czech forex reserves tops EUR 105bn

**(CZ) Macro, FX** The Czech National Bank released its statistics about forex reserves for February and details related its forex intervention activity in January. According to these figures the Czech forex reserves stood at EUR 105.3bn, which implies that they jumped by around EUR 9bn. The February inflow was weaker than in January, which actually marked the record, because the Czech central bank had to buy EUR 15bn on the spot market to keep EUR/CZK pair above the 27.00 level. We believe that the CNB will be forced to much more euros until the end of its intervention regime, which will happen in the 2<sup>nd</sup> quarter of 2017.

**(HU) Macro, FX** Yesterday, published news coming from the NBH (about the changing of Marton Nagy's position) influenced slightly the forint, which weakened a bit, but this morning the EUR/HUF pair has been turned down near to 309.50.

### Equities: Lotos results in-line preliminary figures

**(PL) Lotos** reported a 4Q16 net profit of PLN 303.5mn, and largely confirmed a set of FY figures pre-released on February 6. *Cleared of the balance in impairments, FX impacts and inventory valuations, adjusted LIFO EBITDA of PLN 635.9mn was up 21% q/q and nearly 51% y/y. Lotos claimed a 33% jump y/y in its average refining margin to USD 8.24 per barrel, the highest quarterly level since Q1 2015. The margin gains came on a 12.3% y/y increase in crude prices but a diminishing Ural/Brent spread. Total crude throughput of 2.71 mln tons was flat from 3Q16 and up 6.2% y/y. Capacity utilization at 102.5%, up 6 pps y/y.*

**(PL) PKO** might be "technically" able to meet regulatory requirements for dividend payments from 2016 profits. **/SLIGHT +IVE.** *The bank has to do a several steps before dividend proposal (fine-tune the balance sheet or issue subordinated debt). Note that 50% PoR would translate into circa PLN 1.1/shr dividend (3.3% DY).*

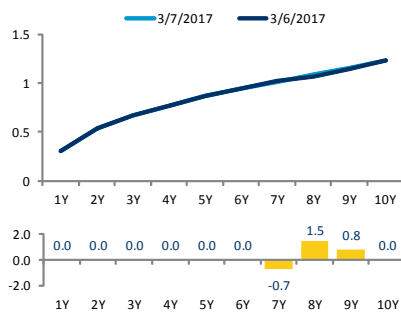
### Preview for tomorrow: Hungary's inflation & NBP meeting

**(PL) Macro, Rates** Tomorrow, The Monetary Policy Committee will discuss the NBP's new inflation forecast (to be completely released on March 13), which will have to be revised significantly upwards and will be the main hawkish sign. The NBP still expects that the annual inflation for this year will not exceed 1.3%, while in February it was more than 2.0%.

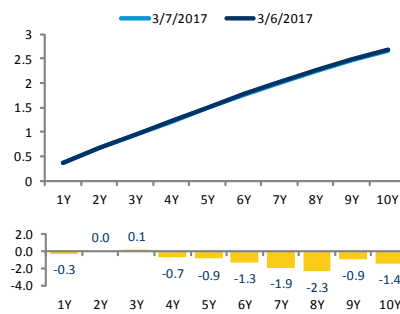
**(HU) Macro** The Hungarian inflation continued to move upward quickly in February.

# Interest-rate Swap Curves

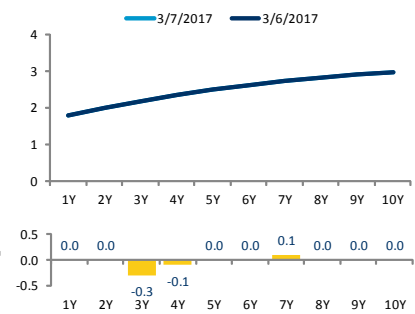
CZK \*



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	0:00	Earnings Cyfrowy Polsat	PLN FY/2016								
HU	9:00	Industrial output	% 01/01/2017			-0.1	1.6		2.7	0.5	1.9
HU	9:00	GDP	% 4Q/2016 *F			0.4	1.6	0.4	1.6	0.4	1.6
CZ	10:00	FX reserves of the CNB	EUR B 02/01/2017							96.6	
HU	11:00	Budget balance	HUF B 02/01/2017							123.4	

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