

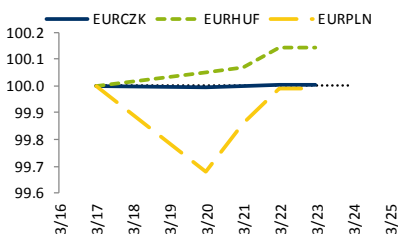


Central European Daily

Thursday, 23 March 2017

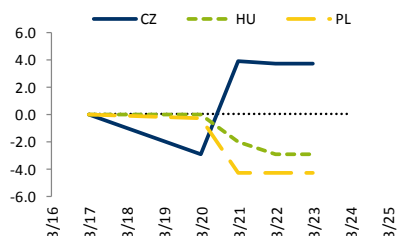
Regional Overview

Forex markets (index)



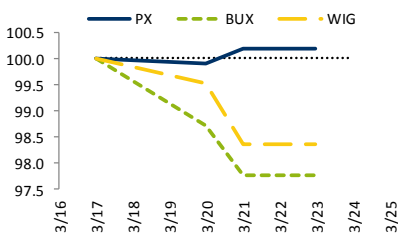
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.02	27.02	0.00
EURHUF	308.7	308.7	0.00
EURPLN	4.281	4.281	0.00

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: CZ FinMin sold bonds with negative yield again

(CZ) Czech FinMin sold about CZK 4.1bn of 0.00%/2020 government bond in an auction and CZK 4 billion of 1.00%/2026 in an auction yesterday. / Demand for Czech government bonds remains solid despite the fact that it has somehow weakened in comparison with the beginning of the year. Still, MinFin managed to sell the former bond with a slightly negative yield. At the same time, demand for longer maturity bond has increased in comparison with its previous auction.

Relatively less favourable conditions (from the Ministry's point of view) reflect better absorption of liquidity in the Czech banking system which is also reflected in relatively stable EUR/CZK forward rates (especially those with shorter-term maturities).

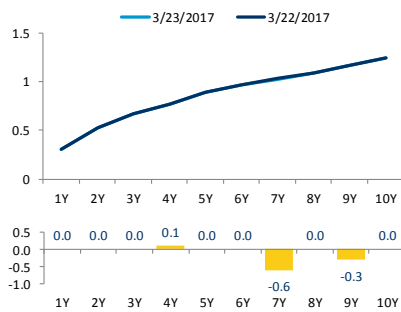
This holds despite the fact that data from the Czech National Bank (CNB) indicate that volume of interventions has probably already exceeded EUR 11bn in March. CNB however keeps its view and says that size of its balance sheet has no implications at all for timing of the exit from the intervention regime.

Equities: VIG results broadly in line with estimates

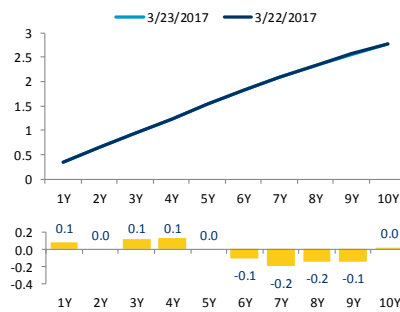
(CZ) VIG: VIG reported its 2016's preliminary figures, which were broadly in line with estimates, proposed EUR 0.8/shr dividend (in line with our exp., above cons. at EUR 0.7/shr) and provided 2019's PBT target in the EUR 450-470mn range (cons. at EUR 469mn). / VIG announced its 2016's preliminary figures, which were broadly in line with market consensus. Dividend should be a positive surprise for the market, while presented MT outlook doesn't differ substantially from the market expectations. All in all likely neutral reaction expected.

Interest-rate Swap Curves

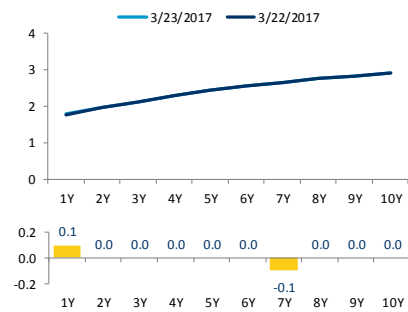
CZK *



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
CZ	0:00	Earnings Pegas NW	CZK FY/2016								
HU	8:30	Current account	HUF B 4Q/2016			688		682		1289	
PL	10:00	Unemployment rate	% 02/2017					8.6		8.6	

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