

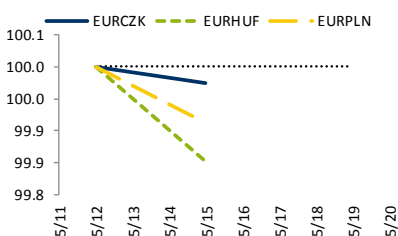


Central European Daily

Monday, 15 May 2017

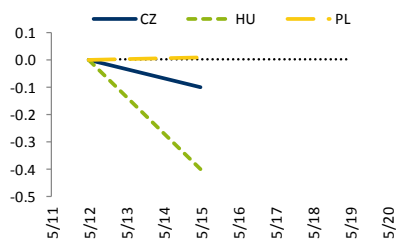
Regional Overview

Forex markets (index)



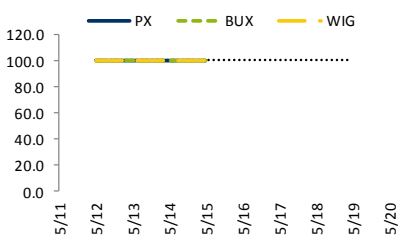
	LAST	PREVIOUS	CHANGE (%)
EURCZK	26.56	26.56	-0.03
EURHUF	309.8	310.2	-0.15
EURPLN	4.212	4.216	-0.09

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.875	0.876	-0.1
HUGB 10Y	3.05	3.05	-0.1
PLGB 10Y	3.30	3.30	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1018.0	1018.0	0.00
BUX	34436	34436	0.00
WIG	61595	61595	0.00

Macro, FX & Rates: Hungary's and Poland's ratings confirmed

(PL) Macro Moody's reaffirms Polish sovereign rating at A2, puts outlook back to stable from negative. Moody's cited "reduced risks of loose fiscal policy" with deficits and debt levels inside Maastricht thresholds and "contained" policy uncertainty. Also, GDP growth, seen by Moody's at 3.2% on average to 2021, underpinned by domestic demand, improving export prospects and higher utilization of EU funds, should be supportive of the fiscal balance. Public debt is expected to stabilize close to the 55% of GDP level. General government deficit should be at 2.8% of GDP on average to 2021.

(HU) Macro Hungary rating was affirmed at BBB- by Fitch; Fitch expects a cyclical upturn in Hungary's GDP growth to 3.2% in 2017 and 3.3% in 2018 (from 2.0% in 2016); Fitch sees Hungary debt to reach 71.1% of GDP by 2018. The rating outlook was maintained stable.

Equities: CCC retailer suffers unexpectedly huge loss

(PL) CCC: retailer suffers PLN 50.6mn net loss in 1Q17 vs. PLN 11.2mn loss expected. Revenues of PLN 720.4mn (+35% y/y) matched consensus of PLN 719.1mn, nevertheless operating profit of PLN -16.1mn was lower than expected (PLN +0.6mn); *We consider results as negative due to both higher than expected operating costs and lower profit margins; Please note, CCC has already proposed the dividend of PLN 2.59/share on May-09 (in-line with estimate of PLN 2.60/share).*

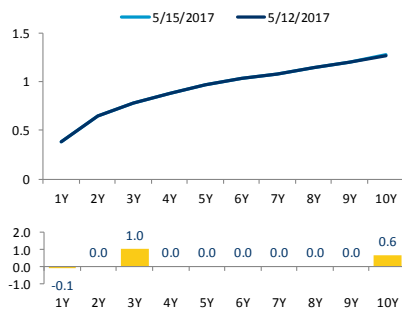
Preview for tomorrow: CE will report GDP growth for Q1

(HU) Macro: As concerns the Hungarian growth 3.5% Y/Y growth for 1Q17. The construction was booming by more than 20% in 1Q17, the industrial production was increasing by around 8%, while the domestic purchasing power may boost the service sector. So we think that the industry may give around 1.0%pt to GDP growth, the service sector close to 2%pt, while construction about 0.5%pt. From demand side the domestic consumption and the investment might boost the economy.

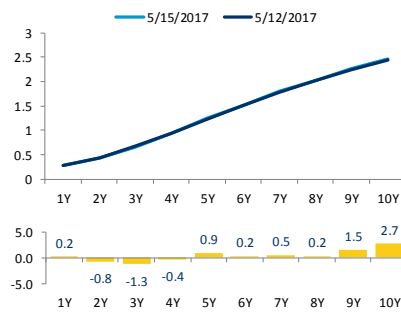
(CZ) Macro: As the monthly industry and services statistics suggested, the Czech economy should report a very promising result for the first quarter. In addition, a return to black numbers has finally been experienced by the construction industry, so even investments could be expected to grow at the beginning of the year as well. Anyway, household consumption will remain the main driver on the demand side of the economy. And on the supply side it will be as usual the manufacturing industry. However, we do not know much about the details yet because it will only be a flash estimate, which will undoubtedly be refined in June.

Interest-rate Swap Curves

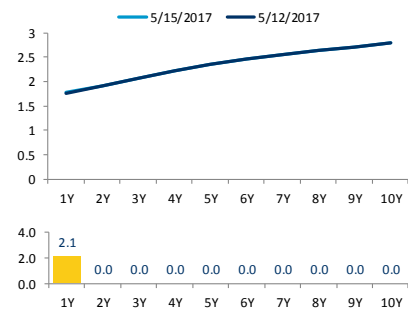
CZK *



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	10:00	Current account	CZK B 03/01/2017	28				20		28.22	
PL	14:00	Current account	EUR M 03/01/2017					-354		-860	
PL	14:00	Trade balance	EUR M 03/2017					-110		-537	
PL	14:00	Core CPI	% 03/01/2017					0.3	0.7	0.2	0.6

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