

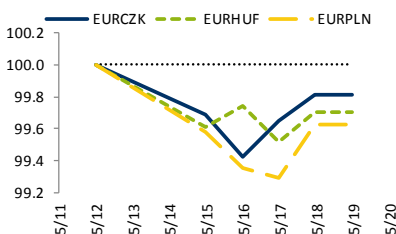


Central European Daily

Friday, 19 May 2017

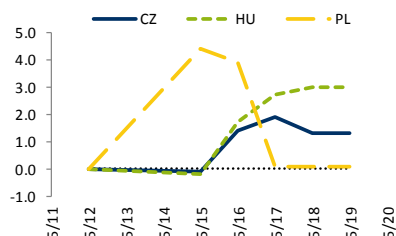
Regional Overview

Forex markets (index)



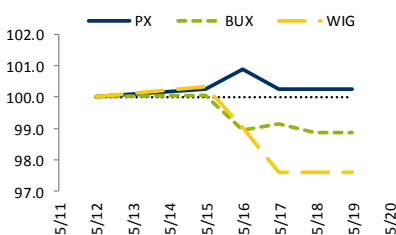
	LAST	PREVIOUS	CHANGE (%)
EURCZK	26.51	26.51	0.00
EURHUF	309.3	309.3	0.00
EURPLN	4.200	4.200	0.00

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.889	0.889	0.0
HUGB 10Y	3.08	3.08	0.0
PLGB 10Y	3.30	3.30	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1020.6	1020.6	0.00
BUX	34049	34049	0.00
WIG	60133	60133	0.00

Macro, FX & Rates: Hungarian wages are surging

(HU) Macro: The Hungarian wages continued to surge in March and confirmed strong GDP results in the first quarter of this year. In January–March 2017, average gross earnings increased by 11.0% compared to the same period of the previous year. Specifically in March, average gross earnings were 12.8% higher than a year earlier, which implies that real earnings increased by 8.2% y/y in March.

Equities: ČEZ will not sell Počerady coal power plant

(CZ) CEZ: The supervisory board of ČEZ went against the management board yesterday and decided against selling the Počerady plant. Sup. Board Chair Václav Pačes said the main reason was the uncertainty in Europe regarding coal energy. According to HN, the supervisory board could not act in any other way, because Czech Coal had said that it would not follow through with the acquisition of Počerady without the consent of the finance ministry, and Babiš was against it.

We do not expect any notable reaction on the (potentially expected) decision... as well as we expect the negotiation to continue in the future as Czech Coal (bidder) needs Pocerady power plant in operations as long as possible for their coal supplies from its Vrsanska uhelna mine.

(PL) JSW: Company is looking for ways to increase its extraction through acquisitions, acting CEO Daniel Ozon told daily Parkiet, adding there are interesting assets to take over on the Polish market.

Ozon would not confirm he means Prairie Mining's Debiensko mine project but the daily points out it is the only investment at home involving coking coal production on a larger scale. Market rumors have JSW announcing a tender for Prairie Mining's (PLN 217.4 mln market cap) shares which, if successful, would land JSW also Jan Karski thermal coal and semi-coking mine project in Lublin region next to listed coal miner Bogdanka's assets with Bogdanka also potentially interested in this project. According to a different scenario, JSW could cooperate with Prairie Mining on the project. Debiensko's license would be beneficial for JSW in the long run but the question is whether this deal is feasible.

(PL) Play: Play network operator P4's forthcoming IPO will be run by PKO BP Brokerage House and BZ WBK Brokerage House which means that the shares will be listed on WSE, according to the unofficial information obtained by daily Parkiet.

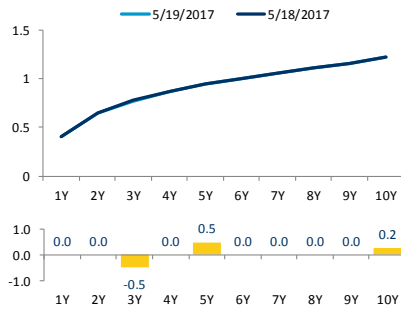
Play's IPO will be one of the largest private IPO's on the WSE as its market cap may reach PLN 8 bln since the company, as a purely mobile carrier, is likely to be valued more like media and telecom group Cyfrowy Polsat Group than telco Orange Polska which is burdened with the fixed lines business.

Daily preview: Watch Polish hard data for April

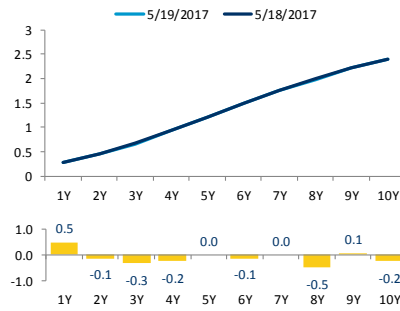
(PL) Macro: The Polish CSO will report industrial output and retail sales for April.

Interest-rate Swap Curves

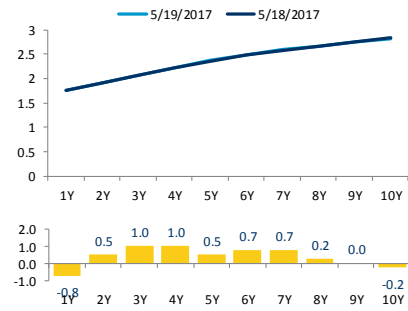
CZK *



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	Unit	Period	Forecast		Actual		Consensus		Previous	
					m/m	y/y	m/m	y/y	m/m	y/y	m/m	y/y
HU	9:00	Wages	%, ytd.	03/01/2017				12.8		10.2		10.7
PL	14:00	Industrial output	%	04/01/2017				-10.6	1.9	17.6		11.1
PL	14:00	PPI	%	04/2017				0.1	4.5	-0.1		4.7
PL	14:00	Retail sales	%	04/01/2017				-1.3	9	16.5		9.7

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