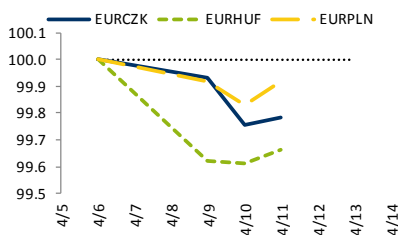
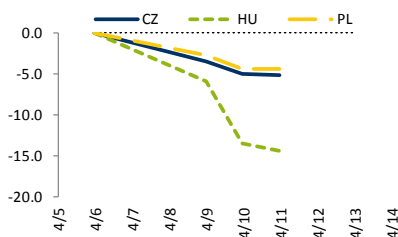




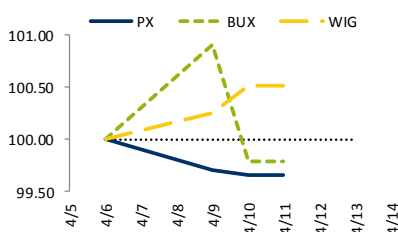
Wednesday, 11 April 2018

**Forex markets (index)**

	LAST	PREVIOUS	CHANGE (%)
EURCZK	25.32	25.31	0.03
EURHUF	311.5	311.4	0.05
EURPLN	4.192	4.188	0.09

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

	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	1.753	1.754	-0.1
HUGB 10Y	2.37	2.38	-0.4
PLGB 10Y	3.02	3.02	0.0

**Equity indices (index)**

	LAST	PREVIOUS	CHANGE (%)
PX	1125.0	1125.0	0.00
BUX	37882	37882	0.00
WIG	59860	59860	0.00

**Our regional insights:****Will NBP's bring more dovish rhetoric?**

Today, the key regional event is the Monetary Policy Committee meeting of the National Bank of Poland. Obviously, no change in NBP's policy is expected, but its rhetoric might sharpen. A drastic fall of the headline inflation in March (to 1.3% year-on-year) might bring even more aggressive dovish comments from NBP's President Glapinsky and other MPC members, who will be present at the Central Bank's press conference. The market has already erased all rate-hike expectations in one-year horizon, but it does not mean that market rates cannot dip even lower (especially in the middle segment of the yield curve).

**Czechs still without a regular government**

Six months after the parliamentary elections the Czech Republic still lives without a regular government. The Promising talks between the election winner – the ANO party - and Social Democrats (CSSD) failed during the weekend, which prompted fresh talks about early elections. They could be eventually held in the autumn together with planned regional elections.

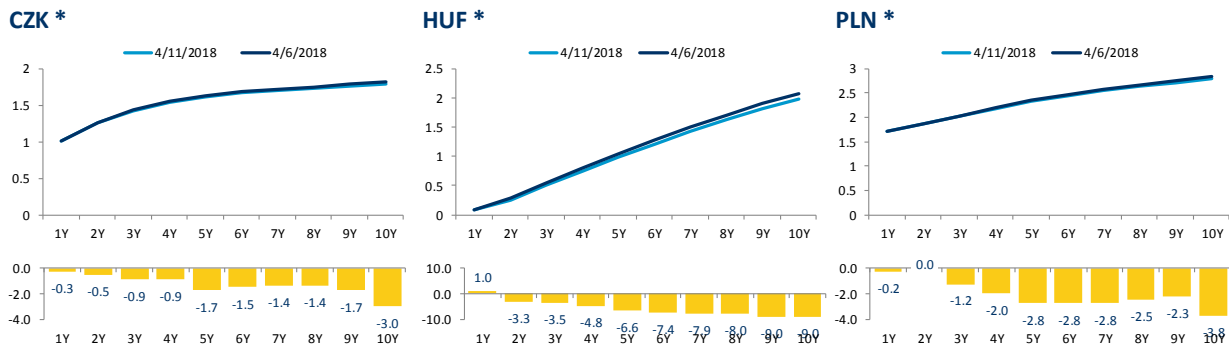
Currently President Zeman advised PM Babis (ANO) to negotiate about new government with SPD (far-right) and KSCM (communists). Zeman reportedly did not speak about someone other than Babis becoming PM.

While a coalition ANO-SPD-Communist cannot be ruled out it is far from certain that it will be established. We should add that Czech financial markets have mostly shrugged-off the news coming from the domestic political scene.

**The forint remains stable after elections**

The Hungarian forint has continued to hover in a very tight range since the beginning of the week – obviously unexcited by results of the parliamentary elections held during the weekend. The low volatility on the Hungarian forex has prevailed even after yesterday's release of the March inflation figures. Recall that the headline year-on-year inflation reached just 2.0%, which is still one percentage point lower than the NBH inflation target (3%).

## Interest-rate Swap Curves



\* upper plot in each panel shows interest swap curve (%), lower plot shows change in interest rates in basis points (against previous Friday).

## 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	12:00	CZ bond auction 2007-2022, 4.70%	CZK B 04/01/2018					4			
CZ	12:00	CZ bond auction 2015-2026, 1.00%	CZK B 04/01/2018					4			
CZ	12:00	CZ bond auction 2017-27, 0.25%	CZK B 04/01/2018					4			
PL	14:00	NBP meeting	% 04/01/2018	1.5				1.5		1.5	
PL	10:00	CPI	% 03/2018 *F							-0.1	1.3
CZ	10:00	Current account	CZK B 02/01/2018	30				31.65		28.88	
PL	14:00	Current account	EUR M 02/01/2018					-343		2005	
PL	14:00	Trade balance	EUR M 02/01/2018					-449		-204	
PL	14:00	Core CPI	% 03/01/2018					0.3	0.9	0	0.8

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