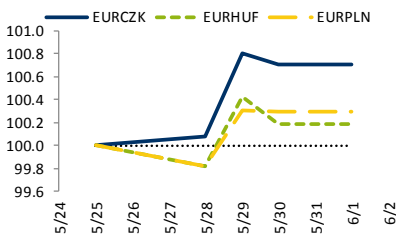




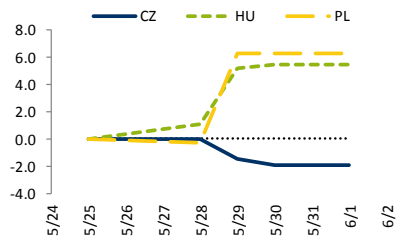
Friday, 01 June 2018

Forex markets (index)



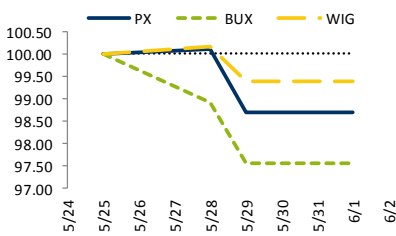
	LAST	PREVIOUS	CHANGE (%)
EURCZK	25.91	25.91	0.00
EURHUF	319.8	319.8	0.00
EURPLN	4.322	4.322	0.00

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	1.918	1.918	0.0
HUGB 10Y	3.09	3.09	0.0
PLGB 10Y	3.26	3.26	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1073.4	1073.4	0.00
BUX	34884	34884	0.00
WIG	57871	57871	0.00

Regional insights

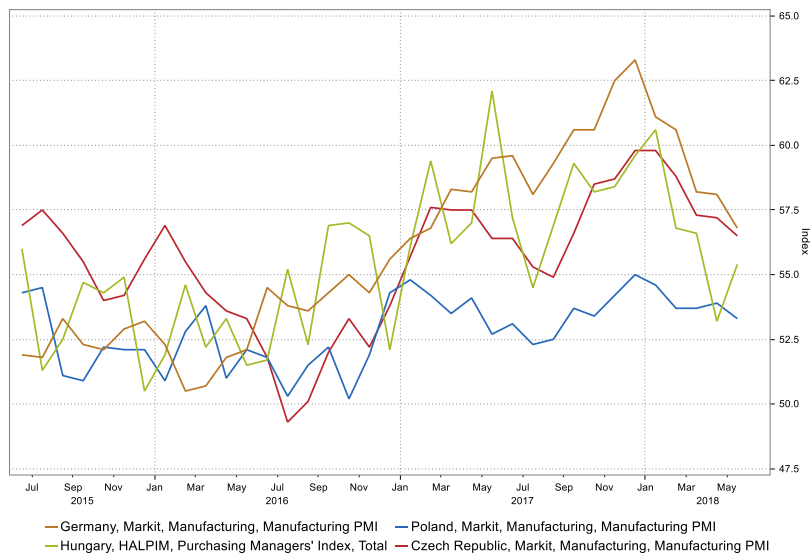
Czech and Polish business sentiment continue to ease

Regional business sentiment in manufacturing continued to track its German counterpart lower in May. According to HIS Markit PMI records both the Czech and Polish output in manufacturing expanded at the slowest rate in nine months. While the respective headline PMI indices still remain relatively strong, both regional economies faced weaker sub-indices of new orders, which might signal slower growth of industrial production in months to come. On the other hand, it is worth noting that panellists in the Czech survey continued to note labour shortages in May. This is in-line with our anecdotal evidence from the Czech labour market, which is in our view still very tight.

While we do not think that the recent depreciation of regional currencies might help to increase the output in the regional manufacturing, the expansion will heavily depend on performance of the German and the Euro-zone industry. In this respect, it will be very important how the recent political jitters in Italy and threats of protracted trade wars (between the US and the EU) affect the business confidence in Western Europe.

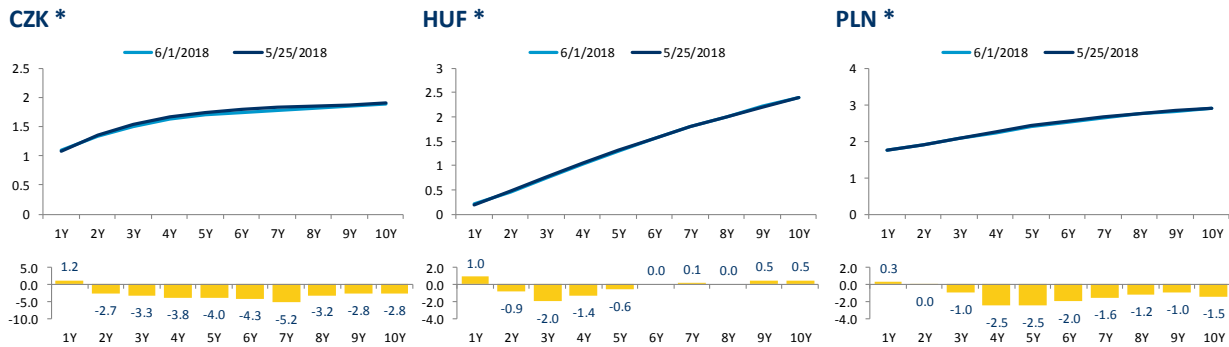
Jan Čermák, ČSOB

Business Sentiment in Regional Manufacturing (PMI)



Source: **Macrobond**

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
PL	9:00	PMI manufacturing	05/01/2018			53.3		53.2		53.9	
CZ	9:00	GDP	% 1Q/2018 *P			0.4	4.4	0.5	4.5	0.5	4.5
HU	9:00	Trade balance	EUR M 03/2018 *F			567				558	
HU	9:00	PMI manufacturing	05/01/2018			55.4				53.3	
CZ	9:30	PMI manufacturing	05/01/2018			56.5		56.2		57.2	
CZ	14:00	Budget balance	CZK B 05/01/2018							0.8	
HU	17:00	Review rating - Moody's	Baa3 1st revision								

Contacts

Brussels Research (KBC)		Global Sales Force	
Mathias van der Jeugt	+32 2 417 51 94	Brussels	
Peter Wuyts	+32 2 417 32 35	Corporate Desk	+32 2 417 45 82
Mathias Janssens	+32 2 417 51 95	Institutional Desk	+32 2 417 46 25
Dublin Research		France	+32 2 417 32 65
Austin Hughes	+353 1 664 6889	London	+44 207 256 4848
Shawn Britton	+353 1 664 6892	Singapore	+65 533 34 10
Prague Research (CSOB)		Prague	+420 2 6135 3535
Jan Cermak	+420 2 6135 3578	Prague (Equities)	+420 2 2142 4216
Petr Dufek	+420 2 6135 3560		
Bratislava Research (CSOB)		Bratislava	+421 2 5966 8820
Marek Gabris	+421 2 5966 8809		
Budapest Research		Budapest	+36 1 328 99 85
David Nemeth	+36 1 328 9989		

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