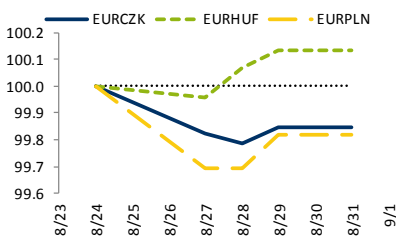




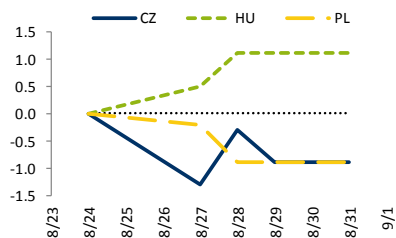
Friday, 31 August 2018

Forex markets (index)



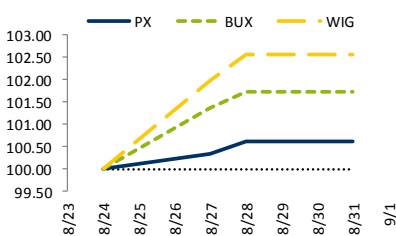
	LAST	PREVIOUS	CHANGE (%)
EURCZK	25.71	25.71	0.00
EURHUF	324.1	324.1	0.00
EURPLN	4.273	4.273	0.00

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	2.082	2.082	0.0
HUGB 10Y	3.36	3.36	0.0
PLGB 10Y	3.15	3.15	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1079.6	1079.6	0.00
BUX	36819	36819	0.00
WIG	61427	61427	0.00

Regional insights

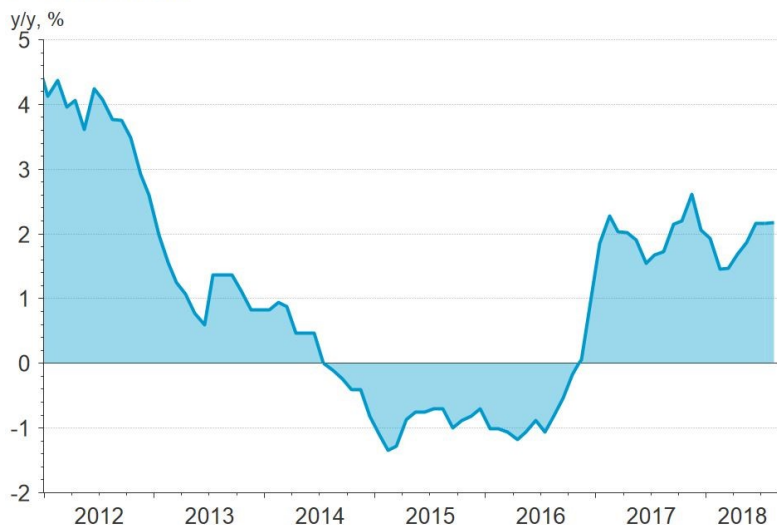
The Polish inflation stays flat at 2.0%

While forex markets have continued to monitor the situation in other emerging markets (particularly in Turkey and Russia), they still cannot ignore the domestic macro data.

In this respect it is worth noting that the Polish statistical office has just released a flash estimate of the August inflation. The inflation readings showed that the Polish headline inflation remained flat at the 2.0% in year-on-year terms. The flash inflation figures do include all details, but they confirmed that energy prices have remained significant contributor to price growth. On the other hand food prices dropped not only monthly basis, but also in year-on-year terms (changes were 0.7% m/m and 2.1% y/y). We consider food price development as a wild card for a near-term inflation outlook because of drought in Europe, which can work as a negative supply shock (later this year).

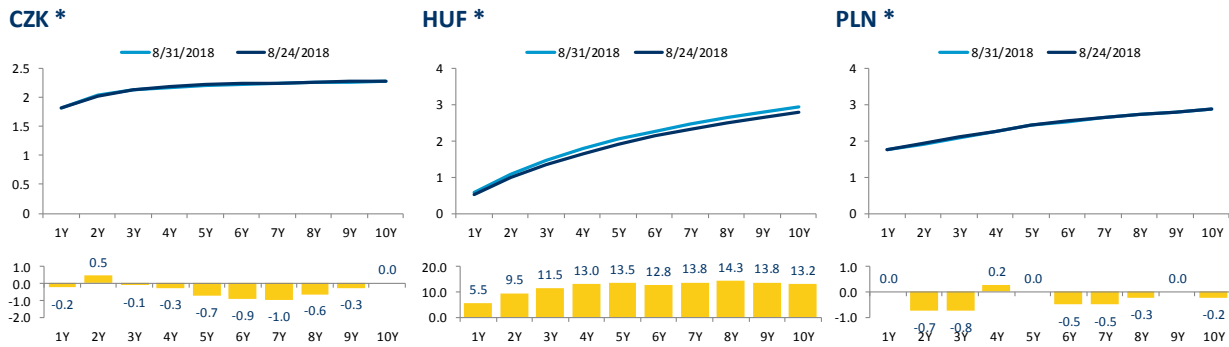
Implicitly, however, the core inflation hovered at very low levels in August (we estimate it at 0.8% y/y), which signals that underlying inflation pressures have been still relatively low. It implies that the NBP can be satisfied with its policy set up, which assumes no change in official interest rates for foreseeable future.

PL: Inflation



Zdroj: Thomson Reuters Datastream / Fathom Consulting

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	Date	Time	Indicator	Period	Forecast		Actual		Consensus		Previous	
					m/m	y/y	m/m	y/y	m/m	y/y	m/m	y/y
CZ	08/31	9:00	GDP	% 2Q/2018 *P			0.5	2.5	0.5	2.3	0.5	2.3
HU	08/31	9:00	Trade balance	EUR M 06/2018 *F			1024				1070	
HU	08/31	9:00	PPI	% 07/01/2018			0.2	8.4			1.9	7.5
PL	08/31	10:00	CPI	% 08/2018 *P			0	2	-0.1	2.0	-0.2	2
PL	08/31	10:00	GDP	% 2Q/2018 *F			1	5.1			0.9	5.1
CZ	08/31	10:00	Money supply M2	% 07/01/2018				4.9				5.4
HU	08/31	17:00	Review rating - Fitch	3BB- pos 2nd revision								

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