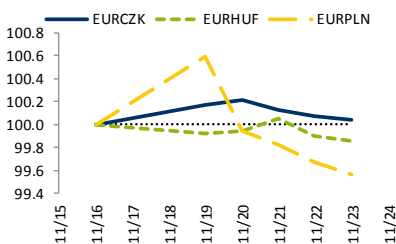




Central Europe
Friday

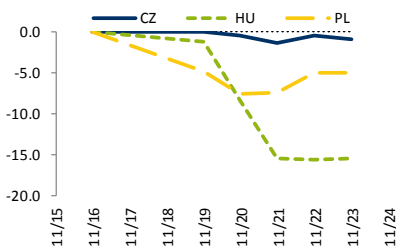
Friday, 23 November 2018

Forex markets (index)



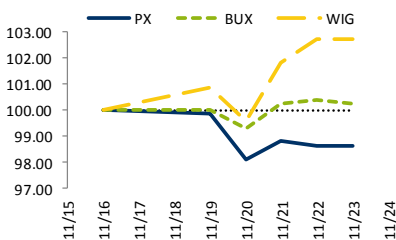
	LAST	PREVIOUS	CHANGE (%)
EURCZK	25.99	26.00	-0.03
EURHUF	321.1	321.2	-0.04
EURPLN	4.290	4.295	-0.12

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	2.035	2.040	-0.5
HUGB 10Y	3.39	3.39	0.0
PLGB 10Y	3.23	3.23	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1065.6	1065.6	0.00
BUX	39417	39489	-0.18
WIG	56933	56933	0.00

Regional insights

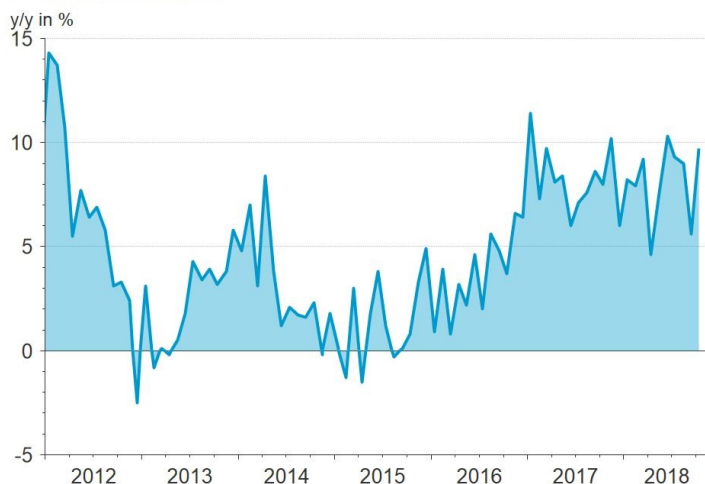
Polish economy has started 3rd quarter on strong footing

Regardless of the temporary weakness of neighbouring economies (namely Germany and the Czech Republic), the Polish economy seems to be still in excellent condition. The October figures for industrial production, construction and particularly the retail sales suggest that the excellent GDP result (year-on-year growth of 5.7%) in the third quarter was not necessarily a one-off event.

As has been mentioned above, there are very strong retail sales readings for October as they grown by 7.8 % year-on-year in real terms. The accelerated growth is clearly supported by car purchases which increased dramatically after the August and September drops caused by the regulatory intervention in the form of new established EU emission limits. In October, the sales in the cars, motorcycles and parts category increased, at constant prices, by almost 10 % year-on-year. Such strong growth in Polish car sales may be a good signal not only for the Polish economy but for other Central European economies, depending on car exports, just as well.

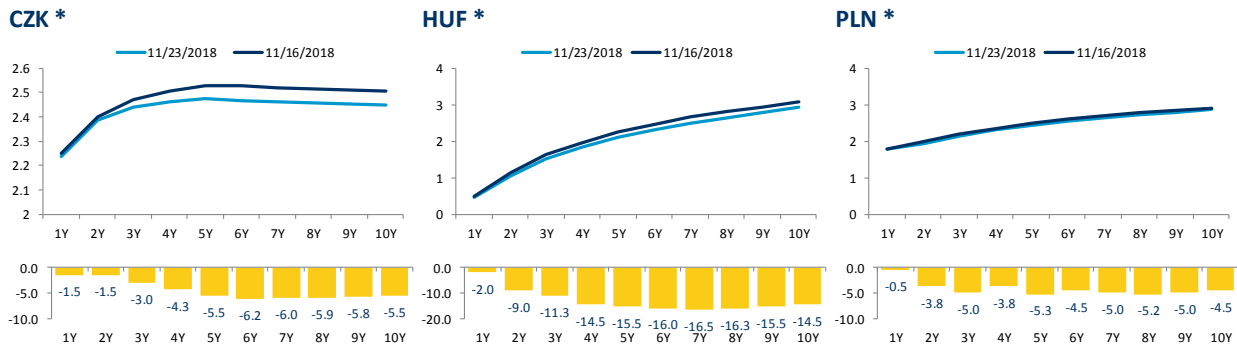
Very strong Polish macroeconomic data released this week could theoretically provide the zloty. However, the Polish currency has been hovering in a relatively tight range which is due to the continuing relaxed monetary policy of the NBP that does not seem to have any intention of cooling down the overheating economy ahead of upcoming elections in 2019.

PL: Retail sales



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
PL	11/23	14:00	Money supply M3	%					0.9	7.8	0.8	7.9
CZ	11/23	17:00	Review rating - Moody's	2. revize								

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