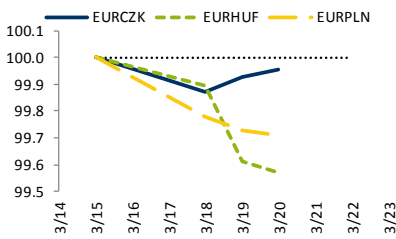




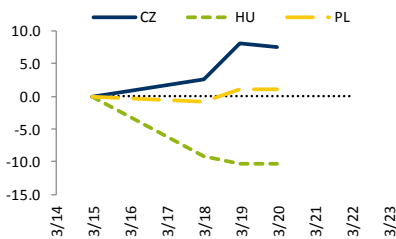
Wednesday, 20 March 2019

Forex markets (index)



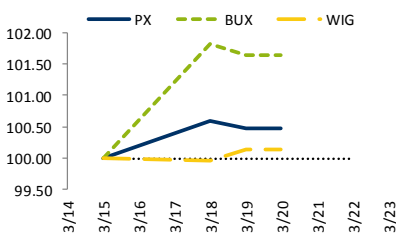
	LAST	PREVIOUS	CHANGE (%)
EURCZK	25.64	25.63	0.03
EURHUF	313.0	313.1	-0.04
EURPLN	4.287	4.287	-0.02

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	1.956	1.961	-0.5
HUGB 10Y	3.12	3.12	0.0
PLGB 10Y	2.90	2.90	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1075.4	1075.4	0.00
BUX	42014	42014	0.00
WIG	60788	60788	0.00

Our regional insights:

Polish hard data from February signal no deceleration of the biggest regional economy

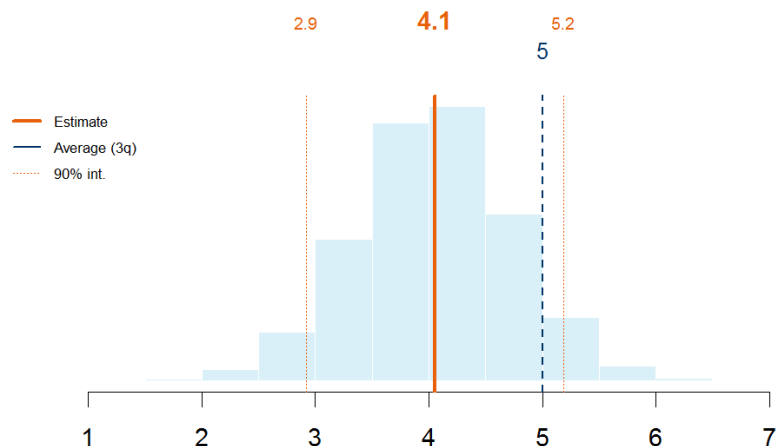
Poland, as the first country in Central Europe, has already released hard macro figures for February 2019. All macro readings – wages, employment and industrial production – have signalled that the biggest regional economy continues to grow rapidly as it looks it has been able to decouple from slowing neighbouring German and Czech economies.

Recall that yesterday’s release of the February wage data showed that the nominal wage dynamics reached 7.5% yoy in the private sector, which translates into the solid 6.3% yoy growth in real terms. Moreover, according to other February’s statistics from the labour market the employment growth has remained close 3% yoy. Hence, it seems the Polish labour market remains very strong and it should support consumer spending going forward.

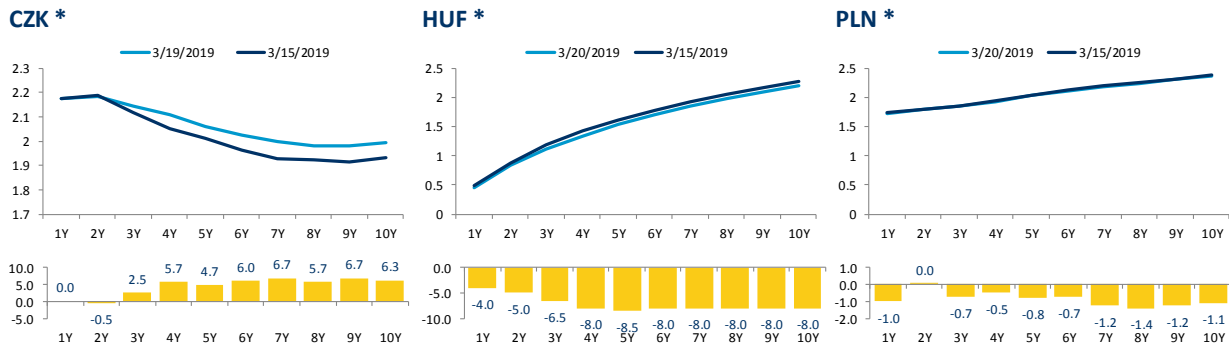
The similar positive picture can be found in the February report of the Polish industrial production. In the period January-February of 2019, the sold industrial output was by 6.7% higher than in the corresponding period of 2018 and even in manufacturing the production has been growing briskly this year.

All in all, the Polish hard data for January and February point to a strong growth of the economy in the first quarter. Our nowcast indicates the Polish GDP grows by 4.1 yoy in the first quarter. It is worth noting, however, that the next important update of the Polish GDP nowcast will be done already tomorrow when February’s retail sales and construction readings will be available.

Nowcast of the Polish GDP for 2019Q1 (yoy change in %)



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	03/20	10:00	Industrial output	%	02/01/2019		-1.5	6.9	-3.5	4.8	7.4	6.1
PL	03/20	10:00	PPI	%	02/01/2019		0.5	2.9	0.3	2.7	0.2	2.2
CZ	03/20	12:00	CZ bond auction 2017-2027, 0.25%	CZK B	03/01/2019				5			
CZ	03/20	12:00	CZ bond auction 2018-2029, 2.75%	CZK B	03/01/2019				8			
CZ	03/20	12:00	CZ bond auction 2015-2030, 0.95%	CZK B	03/01/2019				3			
PL	03/21	10:00	Retail sales	%	02/01/2019				-2.7	7.1	-19.1	6.6
PL	03/22	14:00	Money supply M3	%	02/01/2019				0.6	9.1	-1.4	8.8

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		
Mathias Janssens	+32 2 417 51 95		Institutional Desk		
Dieter Lapeire	+32 2 417 25 47		France		
Dublin Research			London		
Austin Hughes	+353 1 664 6889		Singapore		
Shawn Britton	+353 1 664 6892				
Prague Research (CSOB)			Prague		
Jan Čermák	+420 2 6135 3578		Prague (Equities)		
Petr Dufek	+420 2 6135 3560				
Bratislava Research (CSOB)			Bratislava		
Marek Gabris	+421 2 5966 8809				
Budapest Research			Budapest		
David Nemeth	+36 1 328 9989				

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