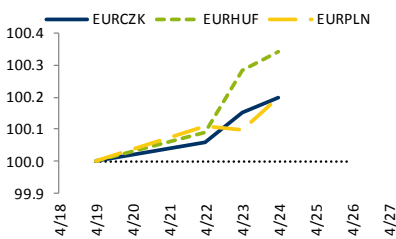




Central Europe
Wednesday

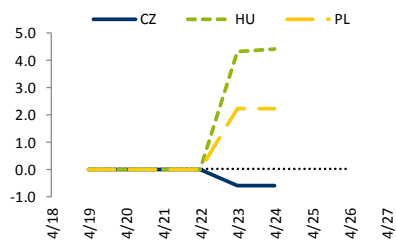
Wednesday, 24 April 2019

Forex markets (index)



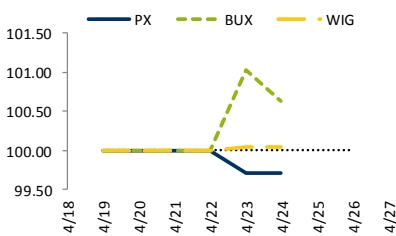
	LAST	PREVIOUS	CHANGE (%)
EURCZK	25.75	25.74	0.05
EURHUF	321.1	320.9	0.06
EURPLN	4.288	4.284	0.10

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	1.911	1.911	0.0
HUGB 10Y	3.20	3.20	0.0
PLGB 10Y	2.89	2.89	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1098.5	1098.5	0.00
BUX	43079	43245	-0.38
WIG	60939	60939	0.00

Our regional insights:

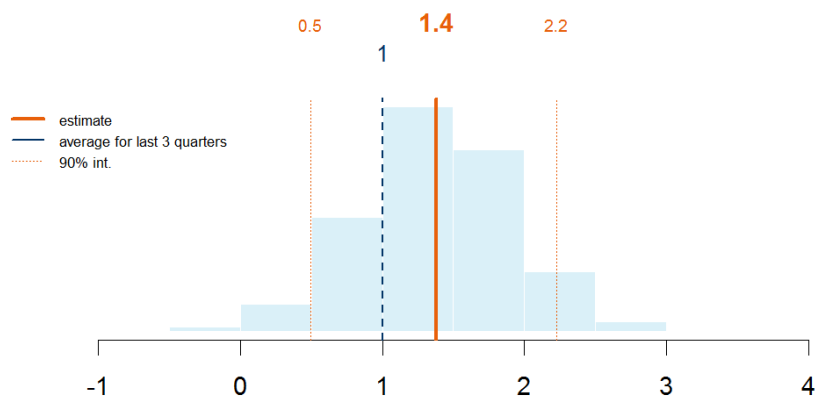
The Polish economy looks still strong this year

At first glance, the series of Polish macroeconomic data for March has presented a mixed picture of an economy suggesting a potential further growth slow-down in Q1. This conclusion could be based on weaker retail sales data in particular. Indeed, its growth really slowed down in March; however, taking into account the fact that Easter only came in April this year, this loss of dynamics should not be overestimated.

Contrastingly, looking at the quarter-on-quarter growth of Polish industry or construction, the data suggests that economic growth was relatively strong in Q1 and accelerated significantly if compared to Q4 2018. Although the growth of Polish GDP is negatively affected by the gradual foreign trade deterioration, our nowcast for GDP shows that the economy grew 1.4% q-o-q in Q1, implying growth of 4.5% in year-on-year terms.

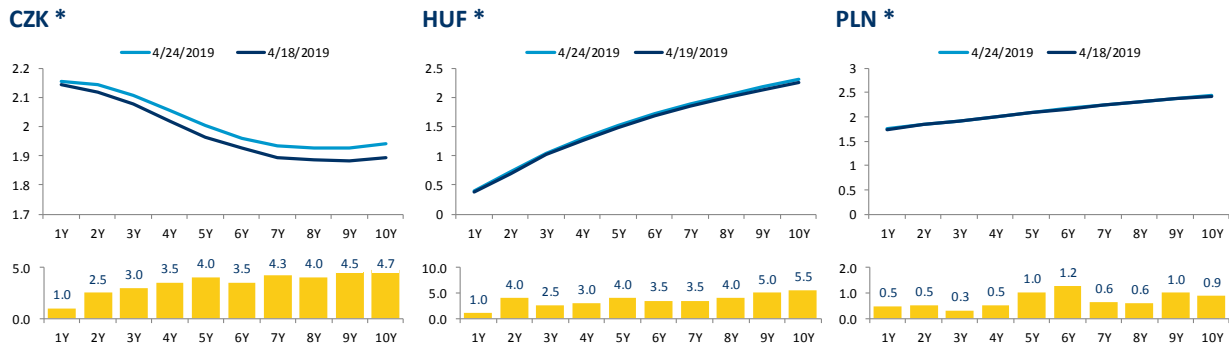
Considering the solid growth in the first quarter and the upcoming pre-election budget expansion, Poland can yet again be expected to be amongst the EU countries with fastest-growing economies this year where growth rate is well over 4%. Poland's strong economic growth will occur despite the fact that, in contrast to the original optimistic expectations, the euro area will grow more slowly in 2019 (according to our current estimates, euro area GDP growth rate will only amount to 1.1% this year). This implies the rapid growth in domestic demand driven also by investments (and implicitly by high transfers from EU structural funds), has been able to compensate for a poor foreign demand growth so far.

Nowcast of the Polish GDP for 2019Q1 (q-o-q change in %)



Calculated on 03/2019

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	04/24	10:00	Unemployment rate	%					5.9		6.1	
CZ	04/24	12:00	CZ bond auction 2015-2026, 1.00%	CZK B	04/01/2019				3			
CZ	04/24	12:00	CZ bond auction 2017-2033, 2.00%	CZK B	04/01/2019				3			
CZ	04/24	12:00	CZ Bond auction 2006-2036, 4.20%	CZK B	04/01/2019				2			

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
Dieter Lapeire	+32 2 417 25 47		France		+32 2 417 32 65
Dublin Research			London		
Austin Hughes	+353 1 664 6889		Singapore		+65 533 34 10
Shawn Britton	+353 1 664 6892				
Prague Research (CSOB)			Prague		
Jan Čermák	+420 2 6135 3578		Prague (Equities)		+420 2 2142 4216
Petr Dufek	+420 2 6135 3560				
Bratislava Research (CSOB)			Bratislava		
Marek Gabris	+421 2 5966 8809				+421 2 5966 8820
Budapest Research			Budapest		
David Nemeth	+36 1 328 9989				+36 1 328 99 85

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