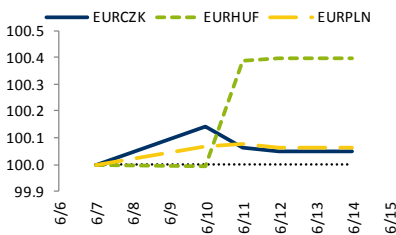




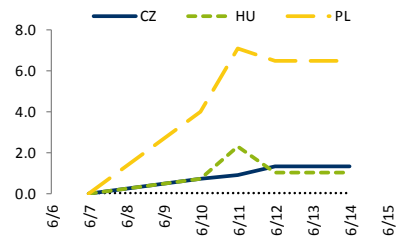
Friday, 14 June 2019

**Forex markets (index)**



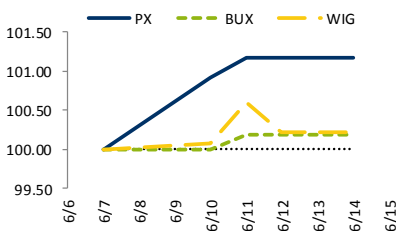
	LAST	PREVIOUS	CHANGE (%)
EURCZK	25.61	25.61	0.00
EURHUF	321.4	321.4	0.00
EURPLN	4.263	4.263	0.00

**Gov. bonds 10 Y (bps change)**



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	1.627	1.627	0.0
HUGB 10Y	2.82	2.82	0.0
PLGB 10Y	2.52	2.52	0.0

**Equity indices (index)**



	LAST	PREVIOUS	CHANGE (%)
PX	1061.9	1061.9	0.00
BUX	41235	41235	0.00
WIG	58984	58984	0.00

**Regional insights**

**The Hungarian economy still holds a solid pace of growth**

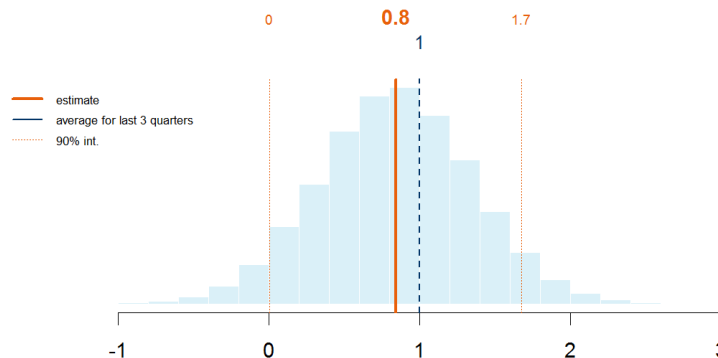
After an impressive first quarter when the Hungarian economy had the fastest growth in EU (5.3% YoY) it looks like that despite the slowdown in Western Europe the dynamic remained strong at the beginning of the second quarter.

Recall that the working day adjusted industrial production increased by 6% YoY in April, which means some surprise as the European economy shows slowing signs, which may pull back the Hungarian industry as well. It looks like so far, that the new capacities – coming from investments in last year – are able to counterbalance the less favorable international market environment. **Looking ahead there are worrying news coming out, like some of the factories – especially related to the vehicle production – plan to decrease their production for the coming months, so in case the European economies performance remains subdued it may spill over into the Hungarian economy as well, so we expect some moderation of industrial performance for the coming months.**

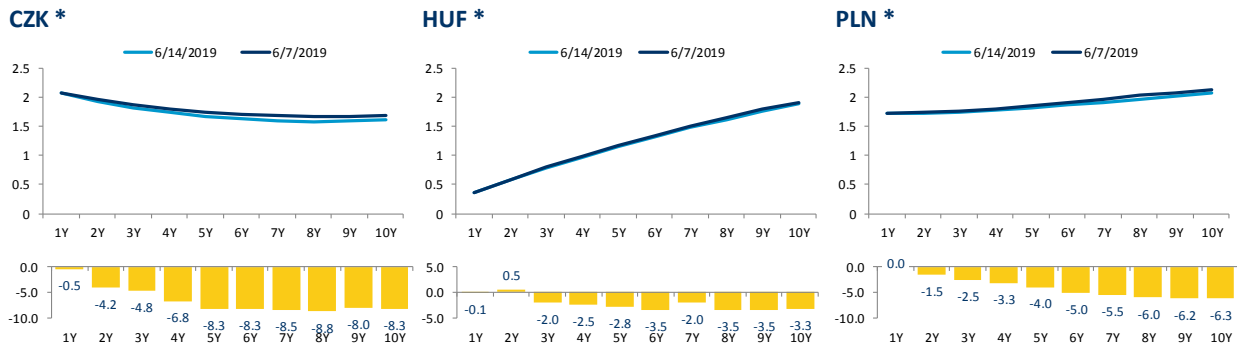
The retail sales sector had an excellent month in April, up by 8.5% YoY, partly fuelled by Easter effect, but the underlying trend is also very strong. As the unemployment rate is low and the wages are accelerating the domestic consumption may remain elevated in the coming month as well and so the consumption may remain the main driver of the economic growth in this year. Hence, both industrial manufacturing and retail in particular maintained a solid pace in April and the GDP growth can remain reasonably strong. In this context, it is also worth mentioning our nowcast for GDP growth in the second quarter, which points out that the Hungarian economy could grow 0.8 % QoQ after the very strong growth in the previous quarter (1.4 % QoQ).

David Nemeth (K&H) and Jan Cermak (CSOB)

**Nowcast of the Hungarian GDP for 2019Q2 (q-o-q 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

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