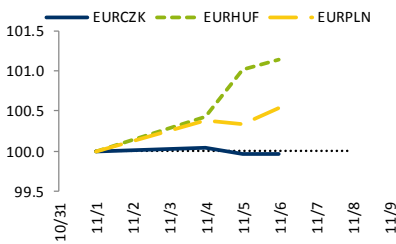




Central Europe
Wednesday

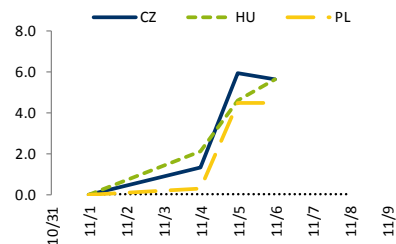
Wednesday, 06 November 2019

Forex markets (index)



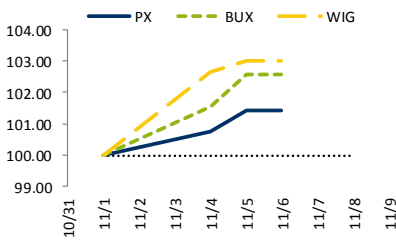
	LAST	PREVIOUS	CHANGE (%)
EURCZK	25.51	25.51	0.00
EURHUF	331.7	331.3	0.13
EURPLN	4.274	4.265	0.20

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	1.414	1.417	-0.3
HUGB 10Y	1.96	1.95	0.5
PLGB 10Y	2.01	2.01	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1077.0	1077.0	0.00
BUX	43237	43237	0.00
WIG	59518	59518	0.00

Our regional insights:

NBP's new staff projection will bring small revisions for 2019

As usual the MPC will stay on hold, while a small decline in the Polish headline inflation and PMI could be reason for NBP's president Glapinsky to repeat his dovish (informal) forward guidance (for leaving official rates unchanged two more years). Recall that in contrast to the Czech and even to Germany the Polish business sentiment in manufacturing continued to fall in October (see the chart below).

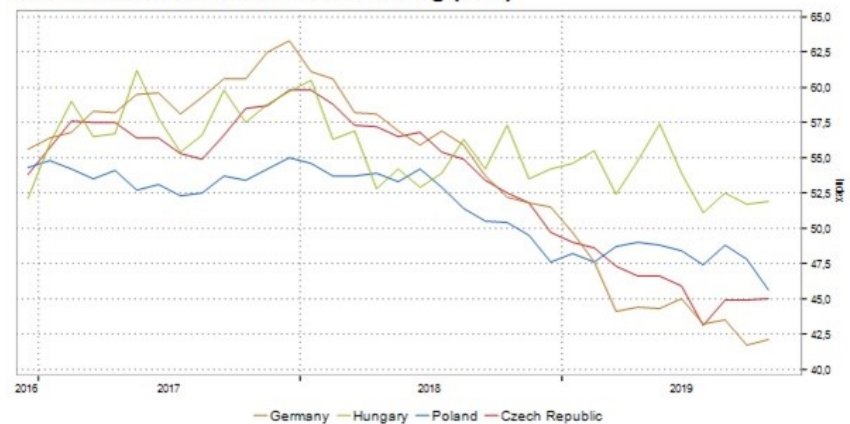
As concern headlines from a new staff (NBP) projection we believe that there will be a small downgrade of the GBP growth rate for this year and a small upward revision of the (average) inflation (again for 2019).

Czech rate-setters may deliver some votes for a hike

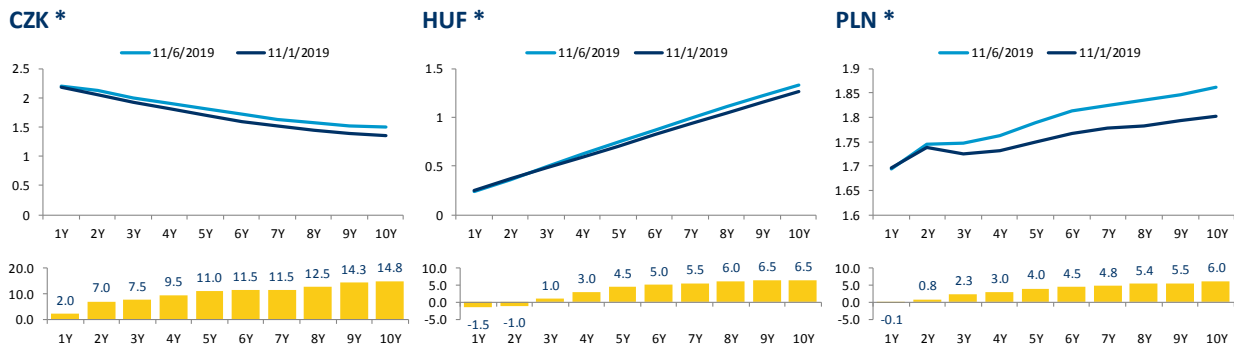
Thursday's CNB's Bank Board meeting will be definitely more interesting than today's similar event in Poland. Although in our view, the CNB will leave official rates unchanged, one or two votes out of a seven-member Bank Board could call for a 25 bps rate hike (as in the previous case).

Still, the new staff projection could look more dovish than the result of the voting. As usual Czech markets will look for a new interest-rate (Pribor 3M) and exchange rate forecast, which work as a guidance in the near-term.

Business Sentiment in Manufacturing (PMI)



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	Unit	Period	Forecast		Actual		Consensus		Previous	
						m/m	y/y	m/m	y/y	m/m	y/y	m/m	y/y
CZ	11/06	9:00	Construction output	%	09/01/2019	3.9		11.5		11.2		-2.4	
CZ	11/06	9:00	Trade balance (national)	CZK B	09/01/2019	12.7		25.1		17.3		8.6	
CZ	11/06	9:00	Industrial output	%	09/01/2019	1.8		4.9		4.5		-3.8	
HU	11/06	9:00	Retail sales	%	09/01/2019			5.8		6.0		5.8	
PL	11/06	14:00	NBP meeting	%	11/01/2019	1.5				1.5		1.5	
CZ	11/07	9:00	Retail sales	%	09/01/2019		4.7			7.1		1.4	
CZ	11/07	10:00	FX reserves of the CNB	EUR B	10/01/2019							131.6	
CZ	11/07	13:00	CNB meeting	%	11/01/2019	2				2		2	
CZ	11/08	9:00	Unemployment rate 15-64	%	10/01/2019	2.6				2.6		2.7	

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