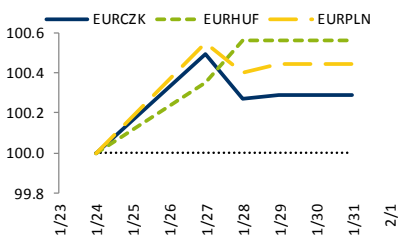




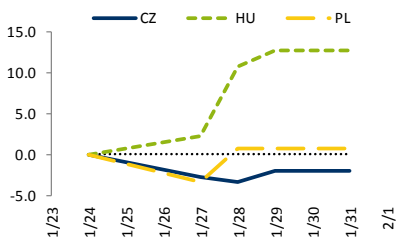
Friday, 31 January 2020

**Forex markets (index)**



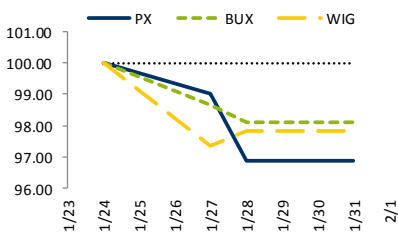
	LAST	PREVIOUS	CHANGE (%)
EURCZK	25.22	25.22	0.00
EURHUF	338.1	338.1	0.00
EURPLN	4.274	4.274	0.00

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



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	1.525	1.525	0.0
HUGB 10Y	2.20	2.20	0.0
PLGB 10Y	2.25	2.25	0.0

**Equity indices (index)**



	LAST	PREVIOUS	CHANGE (%)
PX	1107.5	1107.5	0.00
BUX	43671	43671	0.00
WIG	57336	57336	0.00

**Regional insights**

**The Polish economy is slowing down**

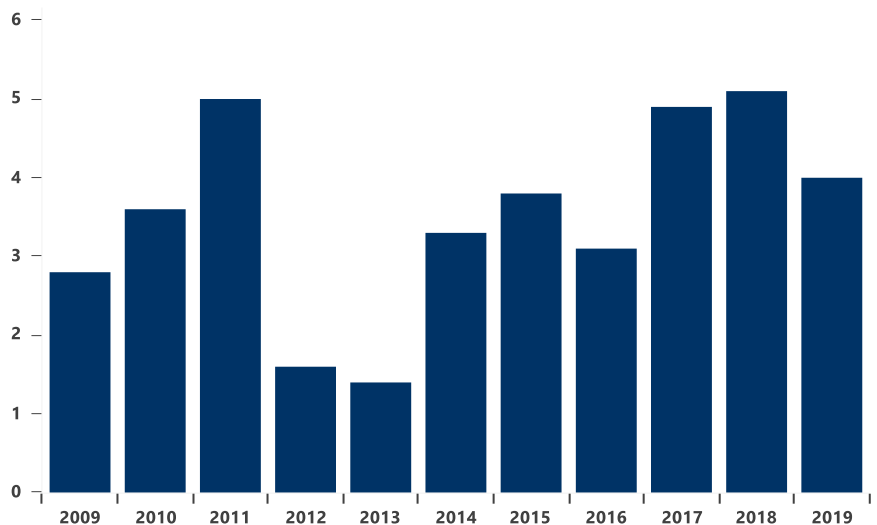
While the Polish zloty is facing downward pressure as a result of sell-off on emerging markets and new speculations concerning the attitude (and potential measures) of the European Commission towards Polish legislative reform, the Polish economy is showing more signs of slowing down.

As data from the Polish Statistical Office showed on Wednesday, the preliminary aggregate data indicates that the economy grew at the rate of only 4% in 2019, which implies that the year-on-year growth of the GDP was only 3% in the last quarter. The details published by the Statistical Office also imply that the demand growth was facilitated primarily by household consumption; on the other hand, retail sector as well as industry were strong drivers on the supply side. One sector that saw sluggish growth not only throughout 2019, but also in the past quarter, was the construction sector.

We expect the Polish economy to continue slowing down in 2020, although it will still grow much faster than the Eurozone, or the neighbouring Czech or Slovak economies. The flow of transfers from EU structural funds, which is still very strong, and the highly accommodative monetary policy should keep the GDP above 3% this year.

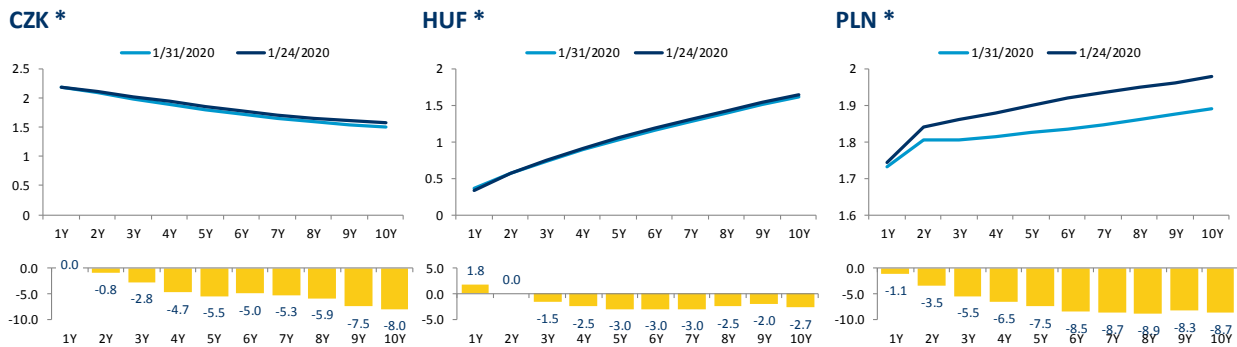
**Poland: Gross Domestic Product**

(year-on-year, in %)



Source: GUS

## 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
HU	01/31	9:00	Wages	% , ytd. 11/01/2019				13.9		11.2		11.6
HU	01/31	9:00	Trade balance	EUR M 11/2019 *F			484				500	
CZ	01/31	10:00	Money supply M2	% 12/01/2019								7.6
PL	01/31	15:00	Budget balance	PLN M 12/01/2019								-1882.0

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