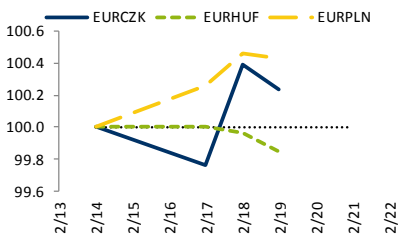




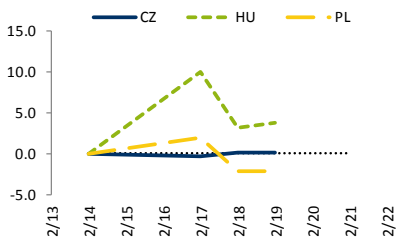
Wednesday, 19 February 2020

Forex markets (index)



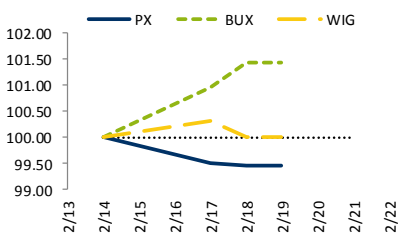
	LAST	PREVIOUS	CHANGE (%)
EURCZK	24.94	24.98	-0.15
EURHUF	335.2	335.6	-0.11
EURPLN	4.268	4.269	-0.03

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	1.525	1.525	0.0
HUGB 10Y	2.30	2.29	0.3
PLGB 10Y	2.16	2.16	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1096.9	1096.9	0.00
BUX	45547	45547	0.00
WIG	57894	57894	0.00

Our regional insights:

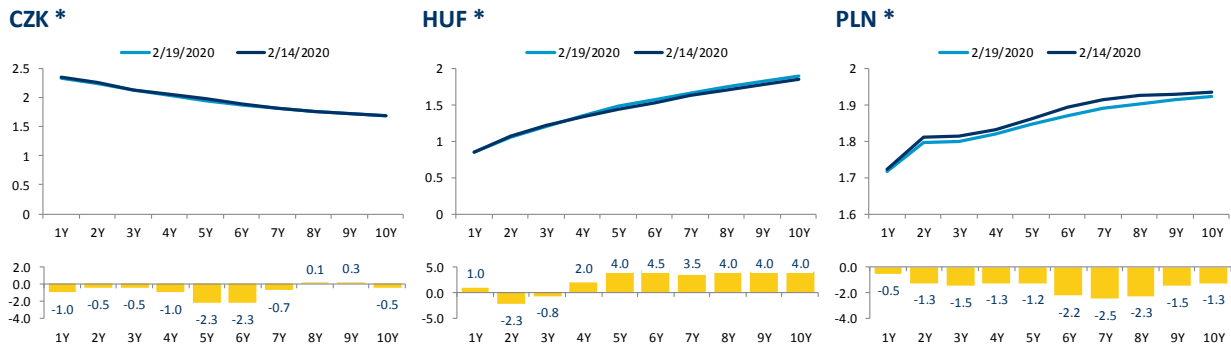
Growth slows in the region, but Hungary still shines

Economic activity is gradually slowing down in most of the CE economies though some headline growth figures sometimes surprised on the upside as preliminary GDP estimates for 2019Q4 showed last week. The latter applies particularly for Slovakia that saw a positive surprise combined with a pick-up in real GDP growth from 1.3% yoy in Q3 to 2.1% yoy in Q4.

Interestingly, both Hungary and Poland, traditional growth champions in the CEE region, experienced a less severe slowdown than expected in the fourth quarter of 2019. While the Hungarian economy expanded by 1.0% qoq in Q4 from 1.1% qoq in Q3, the Polish economy eased more markedly from 1.3% qoq in Q3 to 0.2% qoq in Q4. Still, the Polish economy was able to avoid a contraction on the quarter-on-quarter basis (that was expected based on the earlier publication of annual growth for 2019) and kept a solid growth dynamic of 3.1% on year-on-year basis.

Meanwhile, The Czech Republic has registered continued slowdown in the economic activity that was broadly in-line with poor performance of the German industry. Hence, real GDP growth in the Czech Republic decelerated from 0.4% qoq in Q3 to 0.2% qoq in Q4, while on the year-on-year basis it eased from 2.5% in Q3 to 1.7% in Q4.

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	02/19	10:00	Wages	% 01/01/2020					-5.8	7.0	7.2	6.2
PL	02/20	10:00	Industrial output	% 01/01/2020					2.7	-0.6	-9.4	3.8
PL	02/20	10:00	PPI	% 01/01/2020					0.1	1.0	0.1	1.0
PL	02/20	15:00	Budget balance	PLN M 12/01/2019							-1882	
PL	02/21	10:00	Retail sales	% 01/01/2020					-20.2	6.0	14.6	7.5

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