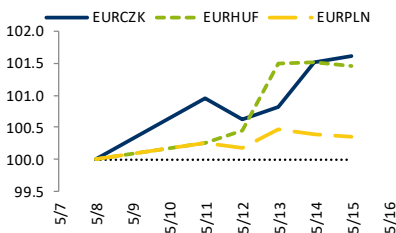




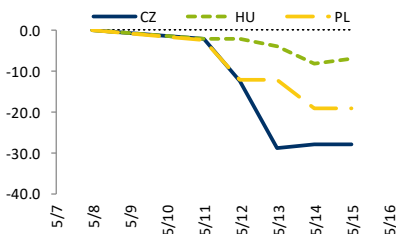
Friday, 15 May 2020

Forex markets (index)



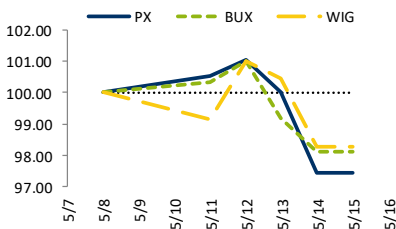
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.68	27.65	0.11
EURHUF	354.2	354.4	-0.06
EURPLN	4.564	4.566	-0.05

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.756	0.756	0.0
HUGB 10Y	1.96	1.94	0.6
PLGB 10Y	1.33	1.33	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	859.0	859.0	0.00
BUX	34145	34145	0.00
WIG	44451	44451	0.00

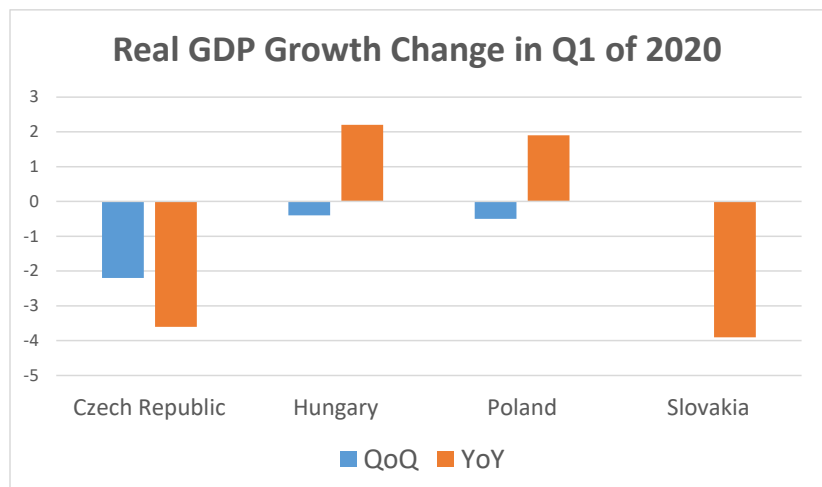
Regional insights

Central Europe officially enters the recession

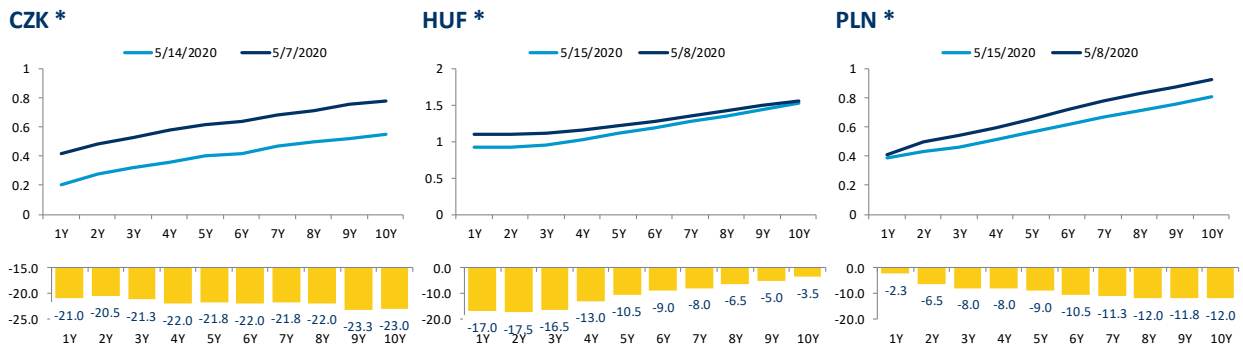
Central European economies have already been in a recession since the first quarter of this year. This is the message coming from regional GDP flash estimates, which have been released this morning. As usual there are no GDP details attached to these data, but only a few related comments coming from regional statistical offices. They confirm the expected outcome - a very negative impact of the pandemic, which cut the external demand and hit domestic services.

Concerning the specific performance, the sharpest GDP decline was seen in the Czech Republic (minus 2.2% QoQ), while the Hungarian economy was able to cope with the virus relatively well as it fell only 0.4% QoQ in the first quarter. Actually, the Hungarian and the Polish economies managed to record positive growth in year-on-year terms, but their outperformance is only related to the fact that the Hungarian and the Polish government had started to apply quarantine measures much latter than those in the Czech Republic and Slovakia. Still, it is also worth noting that the pandemic crisis has pushed the Polish economy into a recession for the first time since the fall of the Berlin wall.

Of course, GDP figures for the second quarter will be much worse as there were complete lockdowns of all mentioned economies in April, while the opening have started in very gradual and cautious way in May.



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
CZ	05/15	9:00	GDP	% 1Q/2020 *A	-3	-1.7	-3.6	-2.2	-3.4	-2.0	0.5	2
HU	05/15	9:00	GDP	% 1Q/2020 *P			-0.4	2.2	-1	2.1	1	4.5
PL	05/15	10:00	GDP	% 1Q/2020 *P			-0.5	1.9	-1.2	1.7	0.3	3.2
PL	05/15	10:00	CPI	% 04/2020 *F			-0.1	3.4			0	3.4

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
			France		+32 2 417 32 65
			London		+44 207 256 4848
			Singapore		+65 533 34 10
Dublin Research			Prague		
Austin Hughes	+353 1 664 6889		Prague (Equities)		+420 2 6135 3535
Shawn Britton	+353 1 664 6892				+420 2 2142 4216
Prague Research (CSOB)			Bratislava		
Jan Čermák	+420 2 6135 3578				+421 2 5966 8820
Petr Dufek	+420 2 6135 3560				
Bratislava Research (CSOB)			Budapest		
Marek Gabris	+421 2 5966 8809				+36 1 328 99 85
Budapest Research					
David Nemeth	+36 1 328 9989				

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