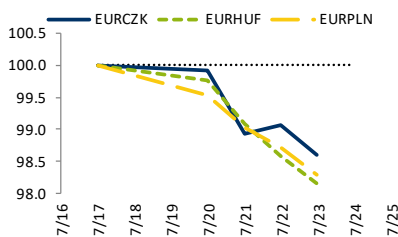




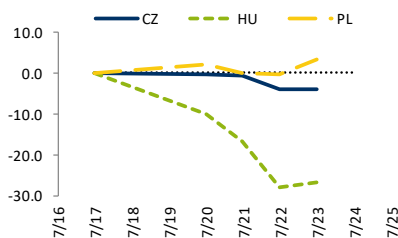
Thursday, 23 July 2020

## Forex markets (index)



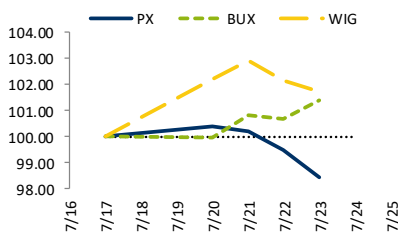
	LAST	PREVIOUS	CHANGE (%)
EURCZK	26.27	26.39	-0.47
EURHUF	346.8	348.2	-0.42
EURPLN	4.401	4.420	-0.43

## Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.887	0.888	-0.1
HUGB 10Y	2.07	2.06	0.5
PLGB 10Y	1.34	1.31	2.8

## Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	934.1	944.1	-1.06
BUX	35682	35436	0.69
WIG	51922	52146	-0.43

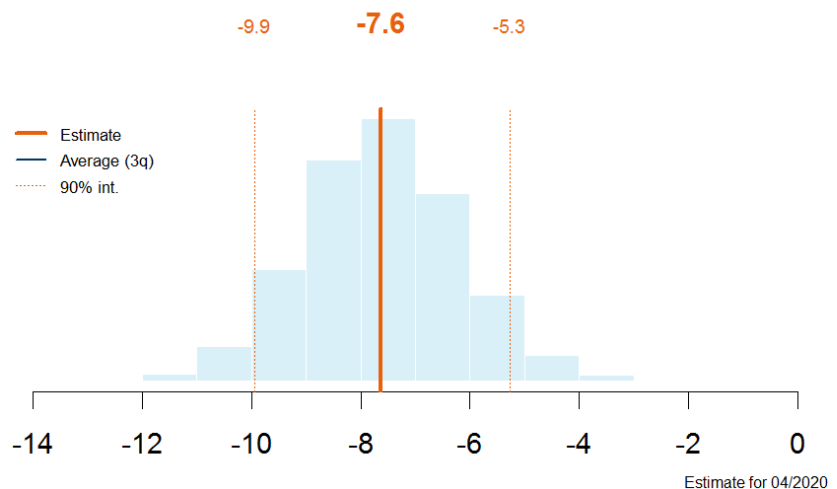
## Regional insights

A slump of the Polish economy might be less severe than expected in the 2<sup>nd</sup> quarter

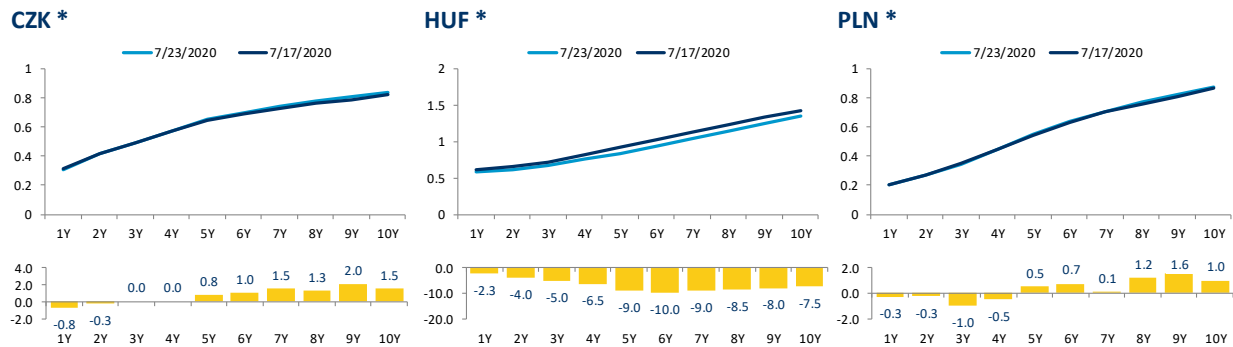
All Central European currencies have rallied this week impressively and the zloty has not been an exception. While a key part of the appreciation story was EUR's deal on The Recovery Fund, the Polish also welcomed June's releases of macroeconomic monthly data, which were clearly better-than-expected. This especially true for the industrial output and retail sales figures. Recall that the June industrial production was up 9.7% MoM and 0.5% YoY. Meanwhile the June real retail sales recorded 'only' 1.3% YoY decrease as quarantine measures ease in previous month.

Following the June data releases we have updated our nowcast model for the Polish GDP growth. Our nowcast now indicates that the Polish economy fell 7.6% YoY in the second quarter in 2020, which is a significant improvement compared to the previous nowcast produced after the May data (it showed a GDP decline by around 11% YoY). Hence, we see upside risks to the Polish GDP growth figure, which will be released on August 14<sup>th</sup>.

## Nowcast of the Polish GDP for 2020Q2 (yoy 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
PL	07/23	10:00	Unemployment rate	%								6
HU	07/29	9:00	Unemployment rate	%								
CZ	07/31	9:00	GDP	%		2Q/2020 *A						
HU	07/31	9:00	Wages	%, ytd.		05/01/2020						
HU	07/31	9:00	Trade balance	EUR M		05/2020 *F						
CZ	07/31	10:00	Money supply M2	%		06/01/2020						
PL	07/31	10:00	CPI	%		07/2020 *P						
CZ	07/31	14:00	Budget balance	CZK B		06/01/2020						

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