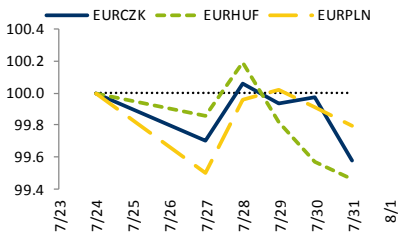




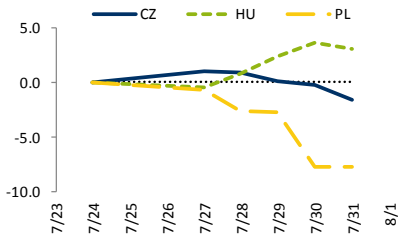
Friday, 31 July 2020

Forex markets (index)



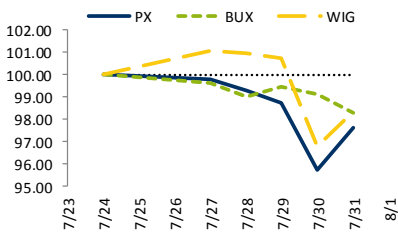
	LAST	PREVIOUS	CHANGE (%)
EURCZK	26.16	26.27	-0.40
EURHUF	344.6	344.9	-0.11
EURPLN	4.407	4.412	-0.11

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.870	0.883	-1.3
HUGB 10Y	2.10	2.10	-0.2
PLGB 10Y	1.28	1.28	0.1

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	894.2	876.9	1.97
BUX	34516	34797	-0.81
WIG	50809	50025	1.57

Regional insights

The Czech economy fell in the 2nd quarter, but the outcome is not as bad expected

Although the worst in history, but certainly not that tragic. This is the preliminary result of the Czech GDP for the second quarter of this year. According to today's release of the flash estimate, the Czech economy fell by 8.4% quarter on quarter and by almost 11% year on year.

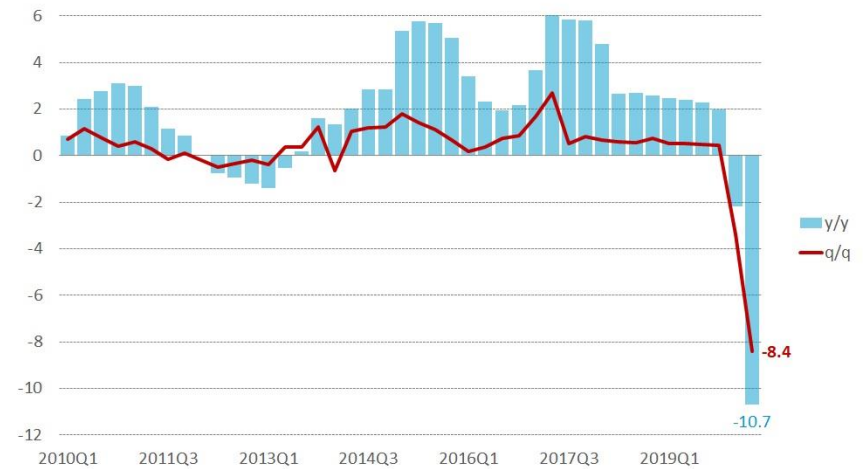
Still, taking into account performance of the key automotive industry (where the production declined by more than 50% year-on-year) plus the fact that some services fell to zero for two months, the GDP outcome is actually still a pretty good result. Even compared to some other European countries it's not a bad result.

Not surprisingly, industry, commerce, transport, hospitality and accommodation were the worst off. Consumption, investment and foreign trade were also weak.

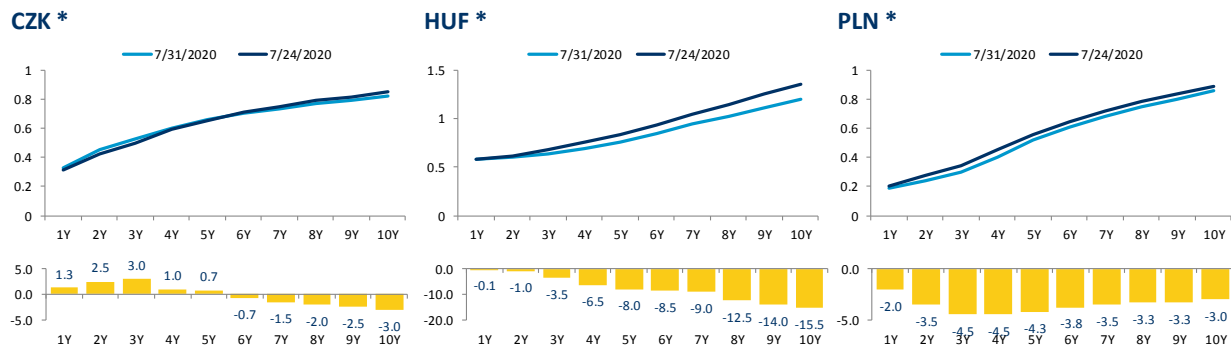
Clearly, the Czech economy was supported by government liquidity measures and Kurzarbeit policy, which have prevented massive redundancies so far.

CZ: GDP Growth

(%; Source: CSO)



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	07/31	9:00	GDP	% 2Q/2020 *A	-15.0	-8.4	-10.7		-12.3		-2	
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			-0.1	3.1	-0.1	3.1	0.6	3.3
CZ	07/31	14:00	Budget balance	CZK B 06/01/2020								

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