Regional insights

Polish GDP in line, Hungarian one disappoints

It’s official now - the Polish economy has slipped into its first ‘technical’ recession since the beginning of its transition to a market economy in early nineties. According to today’s release of the GDP flash estimate the Polish economy fell 8.2% YoY and 8.9% QoQ respectively in the 2nd quarter. Hence, since the economy had already decreased in the first quarter (by 0.4% QoQ), Poland actually fell into a recession. On the other hand although the scale of the economic collapse was really significant, it was actually slightly lower than the market had expected. Moreover, we believe that there should be a positive quarter-on-quarter growth in the third quarter, so the Polish recession will be a very short-lived.

Meanwhile, GDP data have been published also in Hungary, for which a larger-than-expected decline was observed (year-on-year expected: -10.1%, fact: -13.6%, previous: 2.2%). As concerns the market reaction, the negative GDP surprise has put the forint under modest downward pressure and the Hungarian currency underperforms other CE currencies.
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

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<tr>
<th>Country</th>
<th>Date</th>
<th>Time</th>
<th>Indicator</th>
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<th>Actual</th>
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Contacts

**Brussels Research (KBC)**
- Mathias van der Jeugt: +32 2 417 51 94
- Peter Wyts: +32 2 417 32 35
- Mathias Janssens: +32 2 417 51 95

**Dublin Research**
- Austin Hughes: +353 1 664 6889
- Shawn Britton: +353 1 664 6892

**Prague Research (CSOB)**
- Jan Čermák: +420 2 6135 3578
- Petr Dufek: +420 2 6135 3560

**Bratislava Research (CSOB)**
- Marek Gabris: +421 2 5966 8809

**Budapest Research**
- David Nemeth: +36 1 328 9989

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