

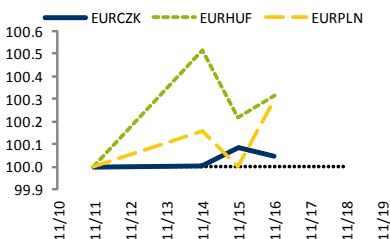


Central European Daily

Wednesday, 16 November 2016

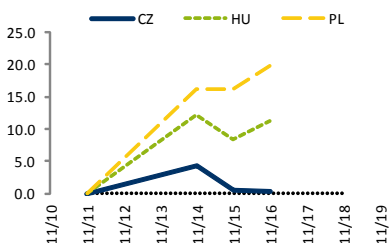
Regional Overview

Forex markets (index)



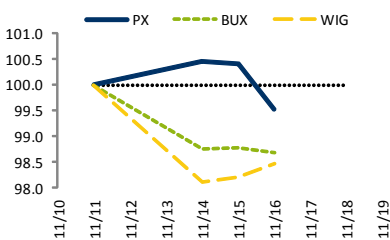
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.04	27.05	-0.04
EURHUF	310.2	309.9	0.10
EURPLN	4.434	4.421	0.29

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.557	0.558	-0.1
HUGB 10Y	3.52	3.49	0.9
PLGB 10Y	3.53	3.49	1.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	896.6	904.7	-0.89
BUX	30101	30133	-0.10
WIG	47710	47580	0.27

Due to the national holiday, the next CE Daily will be release on 18th November.

Macro, FX & Rates: Weak PL GDP may spark cut talks

(PL) Zloty weakened on worse than expected GDP data for the third quarter on Tuesday. Jerzy Zyzynski, a member of the Polish Monetary Policy Council (MPC), said yesterday that the MPC may return to talks about possible rate cuts due to weak GDP data even though room for lowering interest rates is quite limited. His peer Kropiwnicki however added that there was no need to reconsider policy stance. We keep our view and continue to expect official interest rates to remain unchanged in 2017.

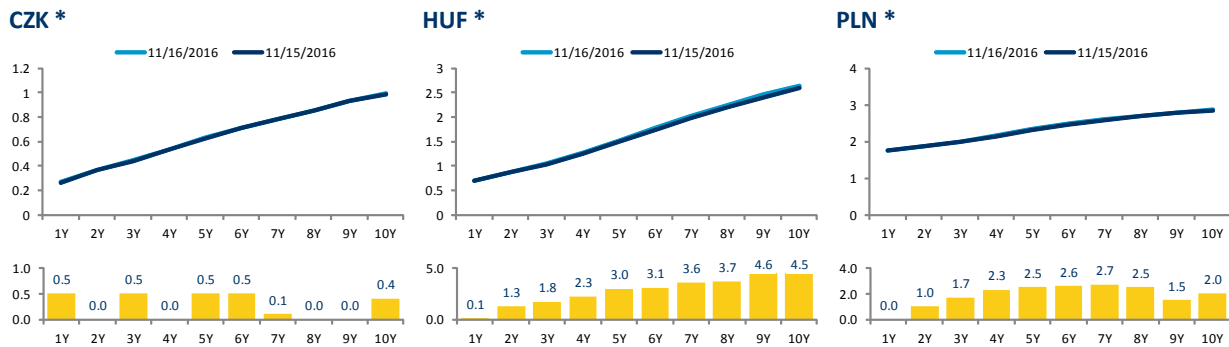
Equities: Czech PM talks about special sector taxes

(CZ) Moneta: GE Capital sold its entire 18% stake in yesterday's ABB. The book was closed at CZK 81/shr, ie some 5% below ydays close. /TO WATCH. Moneta's free-float thus reached an almost 100%. The sale of 92mn shares will likely cover the demand stemming from the MSCI inclusion (we expect some USD 250mn inflow vs USD 300mn ABB) and one of the share price triggers seems to be gone. Market will re-rate its focus on the solid bank fundamentals with 9-10% DY, PE around 12x, which limits potential downside pressures.

(CZ) Sector taxes: Prime Minister may seek special taxes on banks, utilities and telecoms as extra levies on financial, energy and telecommunications industries would curb outflows of dividends to foreign owners, local press reports, citing document compiled by Prime Minister Bohuslav Sobotka's advisers. /TO WATCH/-IVE. This was a story before last elections in 2013. Next elections are scheduled for October 2017, so it seems that current prime minister would like to play the same cards.

(PL) Energa intends to increase its annual EBITDA to PLN 2.4bn in 2020 and to PLN 3.0bn in 2025, in large part thanks to internal initiatives, but M&A may also be needed, Energa said of its 2016-2025 strategy. "The target value of the Energa Group's EBITDA will be driven in large part by PLN 100mn in revenues from new products and services in 2020 and PLN 300mn in 2025 and by the efficiency improvement program expected to generate PLN 130mn in 2020 and PLN 150mn in 2025. More importantly Energa power will adjust dividend policy to investment process, with heaviest spend to conclude by 2023. /SLGHT. -IVE. The 2020's EBITDA target is some 20% above current consensus (2025's figure 50% above), however the changes in dividend policy is a negative news. The same story as in the case of PGE.

Interest-rate Swap Curves



* upper plot in each panel shows interest swap curve (%), lower plot shows change in interest rates in basis points

Calendar

Country	Time	Indicator	Period	Forecast		Actual		Consensus		Previous	
				m/m	y/y	m/m	y/y	m/m	y/y	m/m	y/y
CZ	0:00	Earnings Philip Morris	CZK	3Q/2016							
CZ	9:00	PPI	%	10/01/2016				0.2	-2	0.3	-2.4

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