

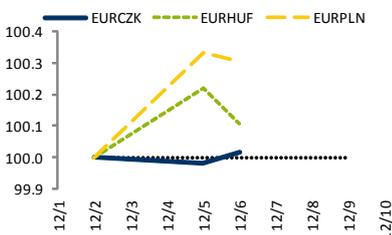


Central European Daily

Tuesday, 06 December 2016

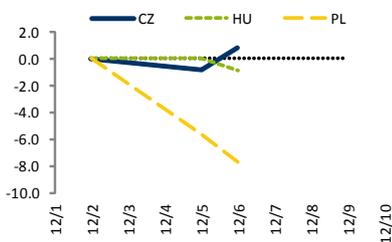
Regional Overview

Forex markets (index)



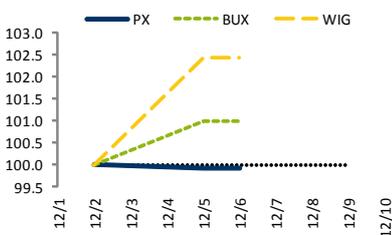
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.06	27.05	0.03
EURHUF	313.7	314.0	-0.11
EURPLN	4.499	4.500	-0.03

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.519	0.503	1.6
HUGB 10Y	3.53	3.54	-0.3
PLGB 10Y	3.74	3.76	-0.6

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	886.7	886.7	0.00
BUX	30100	30100	0.00
WIG	49647	49647	0.00

Macro, FX & Rates: HU industrial production disappoints

(CZ) Pace of growth of **retail sales** again **slowed down in October**. Year-on-year, retail sales decelerated to 2% (to 3.1% after adjusting for different number of working days). Month-on-month, retail sales fell by 0.3%. / *Despite it came out below our expectations, the figures confirmed that consumption still continues to drive demand side of the economy and may even support inflation pressures. The structure of growth confirms that purchasing power of households has been improving.*

(HU) **GDP** for the third quarter of 2016 was **revised slightly to the upside** from 2.0% Y/Y to 2.2% Y/Y and from 0.2% Q/Q to 0.3% Q/Q. / *Hungarian GDP data beat the expectations. Economy increased by 2.2% in the third quarter of 2016 compared to the same period of previous year while analysts anticipated only 2% growth. Better than expected GDP was mainly supported by market services and agriculture growth.*

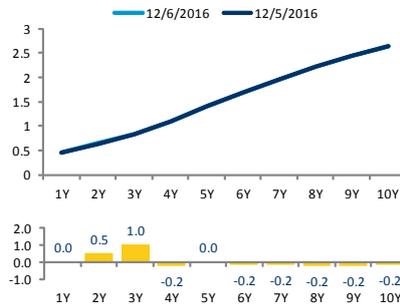
(HU) **Industrial production** for October came out **below market expectations** and reached -2.1% Y/Y. / *Industrial production fell for the second consecutive month in year-on-year terms in October. A bit worrying may be the fact that production declined in almost all industrial sectors incl. car industry. Together with retail sales figures for October released yesterday, industrial production indicate that beginning of the fourth quarter has been quite weak and that GDP growth may not accelerate more significantly in the fourth quarter.*

Interest-rate Swap Curves

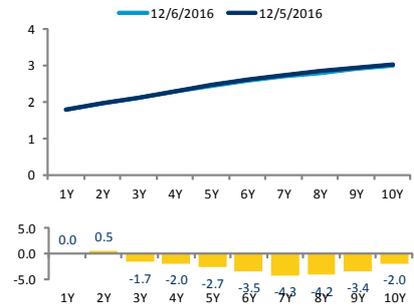
CZK *



HUF *



PLN *



* 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
HU	9:00	Industrial output	% 10/01/2016			2	-2.1	0	-3	-3.7	
HU	9:00	GDP	% 3Q/2016 *F			0.3	2.2	2	0.2	2	
CZ	9:00	Retail sales	% 10/2016		4		0.5	3.3		4.4	

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