

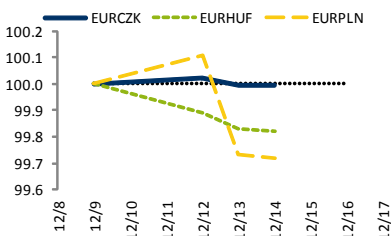


Central European Daily

Wednesday, 14 December 2016

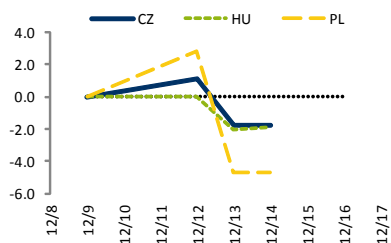
Regional Overview

Forex markets (index)



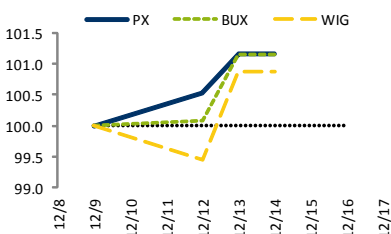
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.02	27.02	0.00
EURHUF	314.1	314.2	-0.01
EURPLN	4.433	4.433	-0.02

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.494	0.494	0.0
HUGB 10Y	3.32	3.32	0.0
PLGB 10Y	3.55	3.55	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	911.1	911.1	0.00
BUX	30938	30938	0.00
WIG	51139	51139	0.00

Macro, FX & Rates: headline

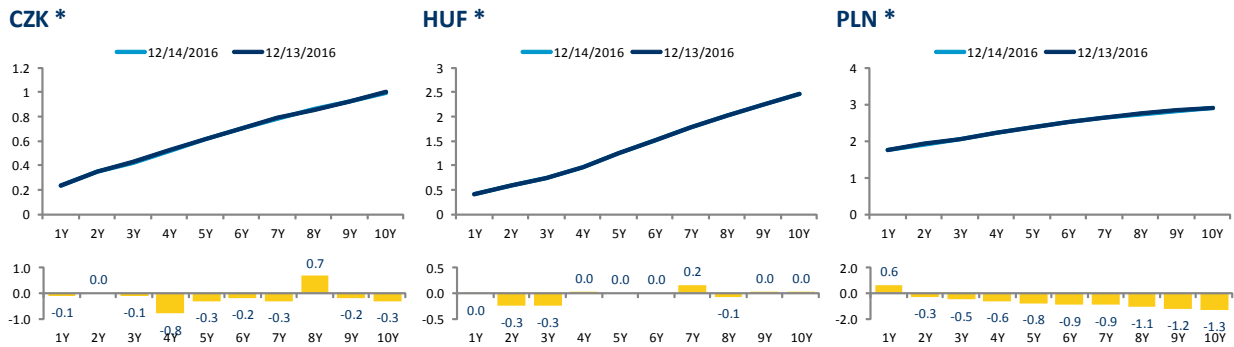
(CZ, macro) Current account showed surplus of CZK 16.9 billion in October. The surprisingly strong result was driven by strong trade balance on the one hand and by lower than expected outflow of dividends on the other. / **POSITIVE** Trade surplus is high enough to cover outflow of dividends and current account is therefore likely to reach a surplus of about 1.8% of GDP (approx. EUR 3 billion) for the third consecutive year. As for the next year, we believe the surplus may be even higher. This should also support gradual appreciation of the koruna after the end of central bank's intervention regime.

Equities: EU withheld its approval for EC regulation proposals aimed at liquidating roaming fees

(CZ) Unipetrol: Unipetrol RPA and PKN ORLEN S.A. signed an annex to the agreement for Russian REBCO crude oil deliveries via Druzhba pipeline from the resources of Tatneft signed on 30 June 2016 which extends the contractual period and increases the possible maximum volume of the crude oil delivered. Based on the signed annex, Tatneft will deliver to Unipetrol RPA a crude oil in the quantity from 1,620mt to 3,960mt in the period between 1 January 2017 and 31 December 2019, depending on the Unipetrol RPA's offtake possibilities. Price of the crude oil to be delivered, as per standard market practice, shall be calculated using Brent Dated index and Urals differential. / **NEUTRAL.** Diversification of the sources is positive in general hence we see the news slightly positive. Unipetrol does not publish detail of the contracts closed between individual counterparties, nevertheless we assume the price to be similar to current existing contract.

(PL) OPL: Europe's Communications Committee withheld its approval for EC regulation proposals aimed at liquidating roaming fees within the EU as of June 15, 2017, Poland's telecom regulator UKE reported. Poland abstained. / **SLIGHT POSITIVE.** Since 2007, roaming prices have decreased by more than 90%. In 2015, and based on a proposal of the European Commission, the European Parliament and the Council agreed to end roaming charges for people who travel periodically in the EU.

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	10:00	Current account	CZK B 10/01/2016	9				10.5		4.76	
PL	14:00	Money supply M3	% 11/01/2016					0.7	8.6	0.7	8.7
PL	14:00	Current account	EUR M 10/2016					-765		-999	
PL	14:00	Trade balance	EUR M 10/01/2016					-147		-200	

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