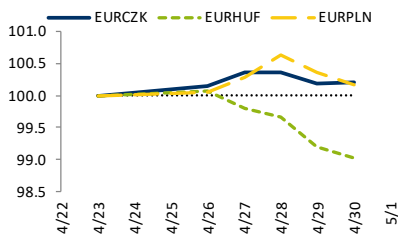




Central
Europe
Friday

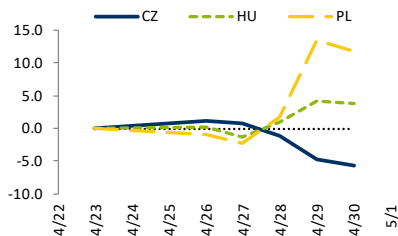
Friday, 30 April 2021

Forex markets (index)



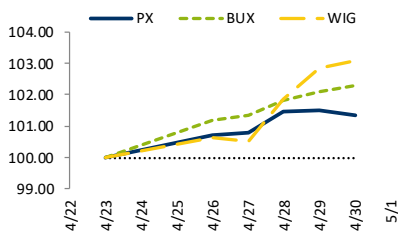
	LAST	PREVIOUS	CHANGE (%)
EURCZK	25.88	25.87	0.03
EURHUF	359.8	360.4	-0.16
EURPLN	4.564	4.573	-0.19

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	1.751	1.759	-0.8
HUGB 10Y	2.73	2.73	-0.1
PLGB 10Y	1.67	1.69	-1.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1102.4	1103.9	-0.13
BUX	43749	43665	0.19
WIG	61191	61043	0.24

Regional insights

The Polish headline inflation jumps to 4.3% in April

The Polish headline inflation accelerated further to 4.3% year-on-year in April as a positive base effect plus higher fuel and food prices contributed strongly to the surprisingly high readings. Still, the core inflation implied by today's figures (this is only the flash estimate with no details) remains quite elevated. We estimate that the Polish core inflation has landed at the 3.5% YoY level – so, just at the higher limit of NBP' tolerance range for the targeted inflation (1.5-3.5%).

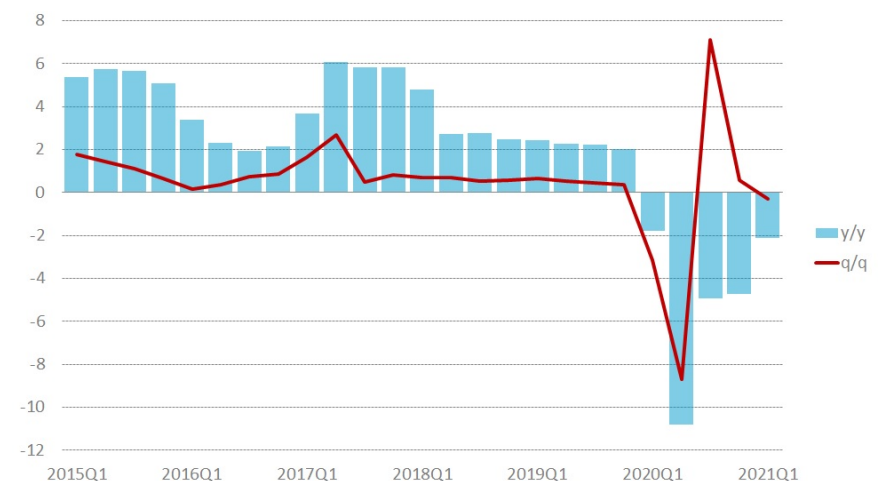
Only slight decline of the Czech economy in 2021Q1

As a result of the (pandemic-driven) lockdown, the Czech economy declined in the first quarter of this year by 0.3% q/q and 2.1% y/y. This result is not surprising given the situation and, in fact, not tragic, given all the restrictions that have affected a significant part of services, especially in the tourism. This time, because of the problems in the supply of components, the economy could not rely so much on industry, which kept it in the black at the end of last year.

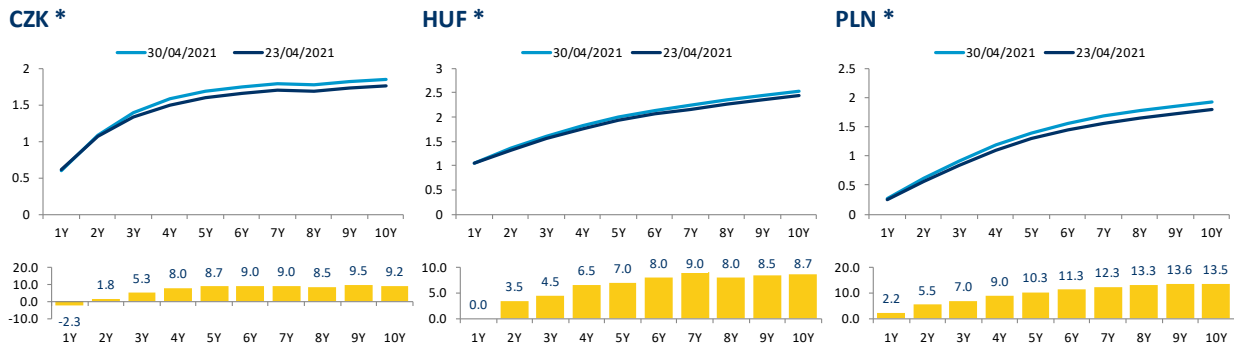
Although GDP declined in the first quarter, we cannot speak of the start of a new recession. In fact, it is very likely that the economy will start growing in the second quarter, thanks to the planned end of lockdown. The restart of services should give the economy a boost in the second quarter and especially in the second half of the year. After reading today's GDP results, we still estimate that economic growth in the Czech Republic could then reach 3.5% in 2021.

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	04/30	9:00	GDP	% 1Q/2021 *A	-0.5	-2.1	-0.5	-2.1	-1.2	-2.9	0.6	-4.8
HU	04/30	9:00	PPI	% 03/01/2021			1.9	9.6			1.2	8.1
PL	04/30	10:00	CPI	% 04/2021 *P			0.7	4.3	0.5	3.9	1.0	3.2
CZ	04/30	10:00	Money supply M2	% 03/01/2021						10.9		11.9
HU	05/03	9:00	PMI manufacturing	04/01/2021							48.7	
CZ	05/03	9:30	PMI manufacturing	04/01/2021							58.0	
CZ	05/03	14:00	Budget balance	CZK B 04/01/2021							-125.2	
PL	05/04	9:00	PMI manufacturing	04/01/2021							54.3	
PL	05/05	14:00	NBP meeting	% 05/01/2021							0.1	
CZ	05/06	9:00	Retail sales ex autos	% 03/01/2021								-5.8
HU	05/06	9:00	Retail sales	% 03/01/2021								-5.9
HU	05/06	9:00	Industrial output	% 03/01/2021							4.8	3.9
HU	05/06	11:50	One week deposit rate	% 05/01/2021								
CZ	05/06	14:30	CNB meeting	% 05/01/2021							0.3	
CZ	05/07	9:00	Construction output	% 03/01/2021								-11.0

Contacts

Brussels Research (KBC)			Global Sales Force		
Mathias van der Jeugt	+32 2 417 51 94		Brussels		
Peter Wuyts	+32 2 417 32 35		Corporate Desk		+32 2 417 45 82
Mathias Janssens	+32 2 417 51 95		Institutional Desk		+32 2 417 46 25
			France		+32 2 417 32 65
			London		+44 207 256 4848
			Singapore		+65 533 34 10
Dublin Research			Prague		
Austin Hughes	+353 1 664 6889		Prague (Equities)		+420 2 6135 3535
Shawn Britton	+353 1 664 6892				+420 2 2142 4216
Prague Research (CSOB)			Bratislava		
Jan Čermák	+420 2 6135 3578				+421 2 5966 8820
Petr Dufek	+420 2 6135 3560				
Bratislava Research (CSOB)			Budapest Research		
Marek Gabris	+421 2 5966 8809				+36 1 328 99 85
Budapest Research					
David Nemeth	+36 1 328 9989				

ALL OUR REPORTS ARE AVAILABLE VIA OUR KBC RESEARCH APP (iPhone, iPad, Android)

This non-exhaustive information is based on short-term forecasts for expected developments on the financial markets. KBC Bank cannot guarantee that these forecasts will materialize and cannot be held liable in any way for direct or consequential loss arising from any use of this document or its content. The document is not intended as personalized investment advice and does not constitute a recommendation to buy, sell or hold investments described herein. Although information has been obtained from and is based upon sources KBC believes to be reliable, KBC does not guarantee the accuracy of this information, which may be incomplete or condensed. All opinions and estimates constitute a KBC judgment as of the data of the report and are subject to change without notice.

