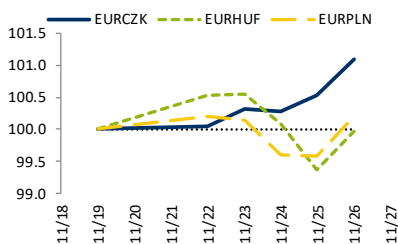




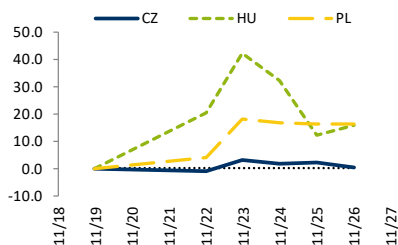
Friday, 26 November 2021

## Forex markets (index)



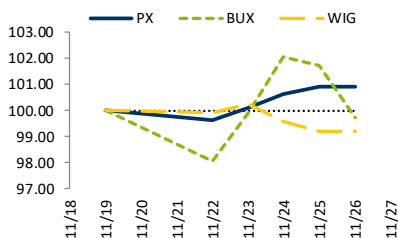
	LAST	PREVIOUS	CHANGE (%)
EURCZK	25.71	25.57	0.54
EURHUF	368.3	366.0	0.61
EURPLN	4.706	4.677	0.62

## Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	2.578	2.593	-1.5
HUGB 10Y	4.29	4.25	0.8
PLGB 10Y	3.39	3.39	0.0

## Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1374.8	1374.8	0.00
BUX	51338	52364	-1.96
WIG	68861	68861	0.00

## Regional insights

## The CZK loses ground as COVID restrictions are back

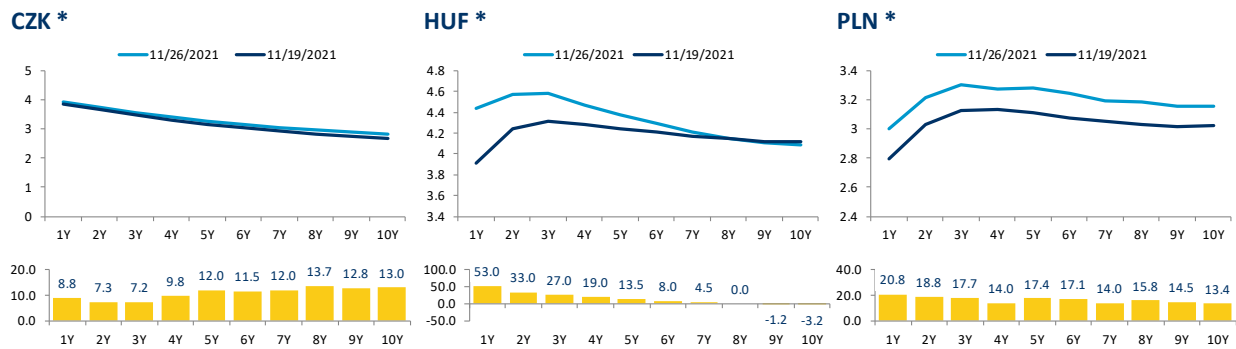
The Czech koruna has started to lose ground again as the outgoing Czech government declared a state of emergency yesterday. The state of emergency will last 30 days and related restrictions (like reduction of opening hours of pubs and restaurants or ban Christmas markets) aim to improve a terrible epidemic situation (the Czech Republic is currently the 2nd worst country worldwide in new Covid cases). We have no doubt that new measures will negatively affect mobility and performance of services, so the performance of the Czech economy will be very poor in the fourth quarter of 2021.

No matter how bad the epidemic situation is, the Czech National Bank continues in its tightening campaign. Yesterday, **the CNB introduced new macro-prudential measures, which should cool the hot Czech housing market.** Starting from April 1st, The CNB is lowering the upper (regulatory) limit on the loan-to-value ratio to 80% (from 90%), while mortgage lenders will again be required to comply with the limit on the debt-to-income ratio (8.5) and the limit on the debt service-to-income (45%). Recall that the new measures were triggered by a new Financial Stability Report, which sees apartment prices overvalued by 25%.

## The NBH hikes one-week depo rate again

The Hungarian central bank (NBH) showed that it takes its defence of the forint seriously. It hiked its one-week deposit rate by additional 40 bps to 2.9% yesterday. This unexpected move came just after two rate hikes delivered last week. Recall that the NBH increased the one-week depo rate by 70bps, from 1.80% to 2.50% last Thursday - just two days after +30bps rate hike of its base interest rate (on Tuesday). The forint firmed in reaction to NBH' s restrictive action yesterday, however the Hungarian currency has not been able to hold its gains as the domestic/regional epidemic situation continues to get worse and as the financial contagion from the week Turkish lira persists.

## 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	
HU	11/29	9:00	Unemployment rate	%	10/01/2021							4.0	
CZ	11/30	9:00	GDP	%	3Q/2021 *P							1.4	2.8
HU	11/30	9:00	Wages	%, ytd.	09/01/2021								8.9
PL	11/30	10:00	CPI	%	11/2021 *P							1.1	6.8
CZ	11/30	10:00	Money supply M2	%	10/01/2021								8.8
PL	11/30	10:00	GDP	%	3Q/2021 *F							2.1	5.1
PL	11/30	15:00	Budget balance	PLN M	10/01/2021								-47588
HU	12/01	9:00	PMI manufacturing		11/01/2021								53.1
PL	12/01	9:00	PMI manufacturing		11/01/2021								53.8
HU	12/01	9:00	GDP	%	3Q/2021 *F							0.7	6.1
HU	12/01	9:00	PPI	%	10/01/2021							2.4	14.0
CZ	12/01	9:30	PMI manufacturing		11/01/2021								55.1
CZ	12/01	14:00	Budget balance	CZK B	11/01/2021								-335.0
HU	12/01	14:00	NBH minutes		11/01/2021								
HU	12/02	9:00	Trade balance	EUR M	09/2021 *F								1.0

## Contacts

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

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