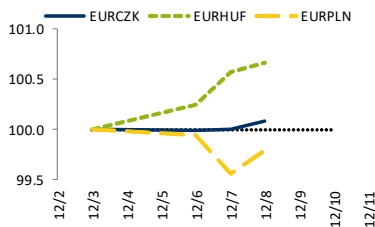




Central  
Europe  
Wednesday

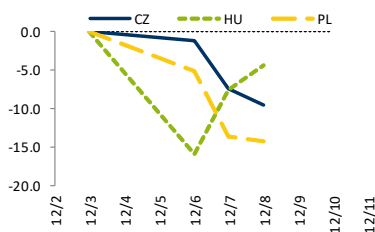
Wednesday, 08 December 2021

#### Forex markets (index)



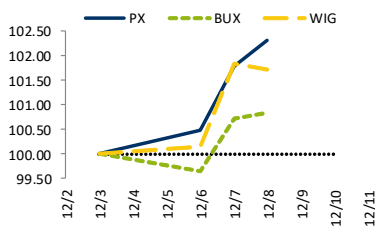
	LAST	PREVIOUS	CHANGE (%)
EURCZK	25.45	25.43	0.08
EURHUF	367.7	367.3	0.10
EURPLN	4.593	4.582	0.22

#### Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	2.411	2.431	-2.0
HUGB 10Y	4.41	4.38	0.7
PLGB 10Y	3.08	3.09	-0.2

#### Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1394.2	1387.2	0.50
BUX	51337	51269	0.13
WIG	68890	68979	-0.13

## Our regional insights:

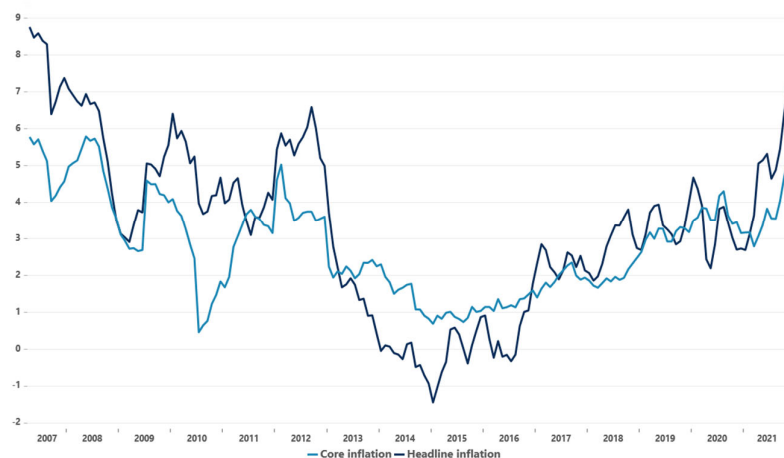
### Another NBP hike: +50, +75 or +100bps?

The National Bank of Poland (NBP) is going to raise its official interest rates again today, despite the fact that the pandemic situation in Poland has worsened so much that the government took some restrictive measures again (e.g., reducing the capacity of restaurants to 30% or re-introducing online school education). As in the previous cases, the NBP got the government's blessing to hike official interest rates (this time, from its spokesman, who said yesterday that the government would not mind a rise in interest rates). However, the primary motivation for the NBP to tighten its monetary policy must be the result of November inflation, which not only hit 8%, but was significantly higher than the month-old inflation forecast as well. In our view, the above-mentioned two reasons plus the relatively weak zloty will force **the Monetary Policy Committee to intervene (this time) more aggressively to put itself ahead of the curve. Thus, we expect the NBP to hike its base rate by +75bps or rather +100 bps**, which should be good news for the zloty as the market is betting rather on only +50 bps.

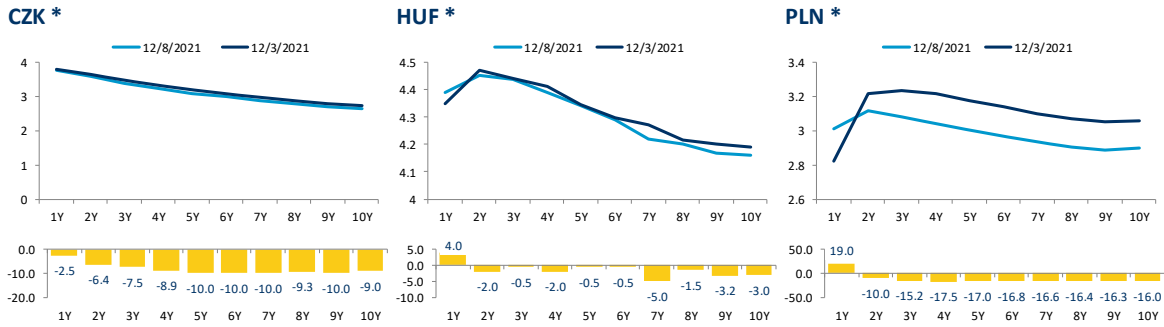
### The Hungarian inflation at 7.4% in November

On Tuesday, the forint has continued to depreciate, thus the EUR/HUF pair already rose to 367 or one unit higher than previous day's closing value. Meanwhile, the Hungarian inflation figures for November have been released this morning, which slightly exceeded analyst expectations as the headline figure reached 7.4% YoY (which is 13-year highs). Clearly, the NBH will be forced to push official rates higher, while the next chance will be to hike one-week deposit rate again tomorrow.

#### HU: Consumer Prices (YoY change in %)



## 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	12/08	9:00	CPI	% 11/01/2021			0.7	7.4	0.6	7.3	1.1	6.5
CZ	12/08	9:00	Unemployment rate 15-64	% 11/01/2021	3.3		3.3				3.4	
CZ	12/08	10:00	FX reserves of the CNB	EUR B 11/01/2021							147.4	
HU	12/08	11:00	Budget balance	HUF B 11/01/2021							-2922	
PL	12/08	14:00	NBP meeting	% 12/01/2021	2.25				1.75		1.25	
HU	12/09	9:00	Trade balance	EUR M 10/2021 *P							-128	
HU	12/09	9:30	One week deposit rate	% 12/01/2021							3.10	
CZ	12/10	9:00	CPI	% 11/01/2021	-0.5	5.3			0.1	5.8	1.0	5.8
PL	12/10	14:00	NBP minutes	NBP 12/01/2021								

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