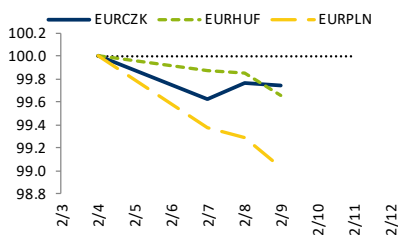




Central
Europe
Wednesday

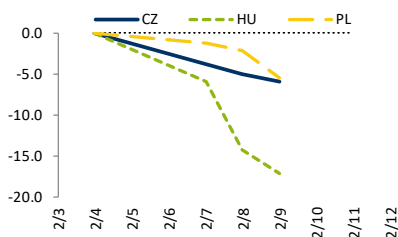
Wednesday, 09 February 2022

Forex markets (index)



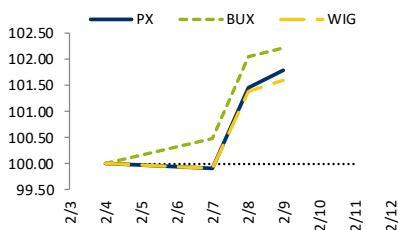
	LAST	PREVIOUS	CHANGE (%)
EURCZK	24.26	24.27	-0.03
EURHUF	353.1	353.8	-0.20
EURPLN	4,520	4,532	-0.26

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	2.964	2.974	-1.0
HUGB 10Y	4.63	4.66	-0.6
PLGB 10Y	3.83	3.86	-0.9

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1468.4	1463.6	0.33
BUX	52958	52861	0.18
WIG	68227	68072	0.23

Our regional insights:

NBP hikes by 50bps, while it wants strong zloty

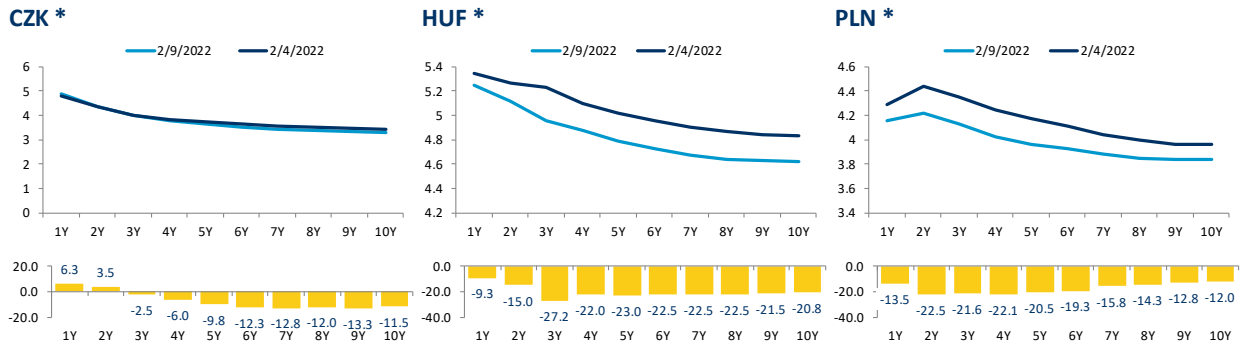
Yesterday, the Polish central bank moved to further raise official interest rates by 50 bps, but that was not all. In addition, the NBP also raised the reserve requirement ratio from 2.0% to 3.5%, and the subsequent statement on the monetary decision was relatively hawkish this time, suggesting that the NBP is aware of the strengthening economy and therefore wishes to tighten monetary conditions through a stronger zloty. Indeed, the NBP commentary explicitly stated that "... zloty appreciation would be consistent with the direction of monetary policy conducted by the NBP".

Nevertheless, given the persistently high inflation, the NBP will have to continue in its hiking cycle. The gradual tightening will continue even though headline inflation will temporarily fall thanks to the reduction in VAT rates on food, energy and petrol. The pace at which the NBP should continue to raise official rates should be clearer after NBP Governor Glapinski's press conference this afternoon.

PL: NBP base rate & core inflation (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
CZ	02/09	12:00	CZ bond auction 2020-2029, 0.05%	CZK B	02/01/2022				4			
CZ	02/09	12:00	CZ bond auction 2021-2032, 1.75%	CZK B	02/01/2022				6			
CZ	02/09	12:00	CZ bond auction 2020-2040, 1.50%	CZK B	02/01/2022				2			
PL	02/09	15:00	NBP Press Conference	%	02/01/2022							
HU	02/09	14:00	NBH minutes		01/01/2022							
HU	02/10	9:30	One week deposit rate	%	02/01/2022	4.3			4.3		4.30	
PL	02/10	14:00	NBP minutes	NBP	02/01/2022							
HU	02/11	9:00	CPI	%	01/01/2022				0.9	7.4	0.3	7.4
CZ	02/11	9:00	CNB minutes		02/01/2022							

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